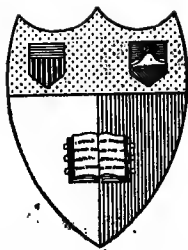


D  
619  
.3  
J77A5



**Cornell University Library**  
**Ithaca, New York**

---

THE GIFT OF

A. B. Laut

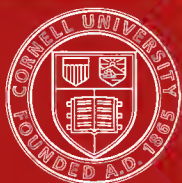
Cornell University Library  
**D 619.3.J77A5**

**America entangled;**



**3 1924 027 862 600**

olin



Cornell University  
Library

The original of this book is in  
the Cornell University Library.

There are no known copyright restrictions in  
the United States on the use of the text.

# America Entangled

By JOHN PRICE JONES

Introduction by

ROGER B. WOOD

(Former Assistant U. S. Attorney in New York)



ROBERT CARTER  
Permission--N. Y. Sun

*Price 50 Cents*

Office of  
Theodore Roosevelt

February 27, 1917.

My dear Mr. Jones:

I have read the galley proofs of your book, and I wish to say, with all emphasis and heartiness, that you are doing this country a great service in publishing it.

Your statements are evidently for the most part based on official Government records, happening in the course of prosecuting the various criminals, who by the direct instigation of the German Government, have for the last two and one-half years been using this country as a base for war against the Allies, and more than this, have in effect been waging war on us within our own boundaries, no less than on the high seas. Our people need to know certain of the facts that you set forth. They need to understand that Germany has waged war upon us, and has waged war against our property, and has waged war against the lives of non-combatants, including women and children, and therefore a far more evil war than one waged openly. Our people also need to understand what you so clearly set forth that very much of the pacifist movement has been directly instigated by German intrigues, and paid for by German money, and that the entire pacifist movement in this country, during the past two and a half years, has really been in the interest of German militarism against the rights of small nations, and against our own honor and vital national interests.

You have done a capital work, and I wish it could be put in the hands of all good Americans.

Sincerely yours,

*THEODORE ROOSEVELT.*

Mr. John Price Jones,  
"The Sun,"  
New York.

# America Entangled

The Secret Plotting of German Spies in  
the United States and the Inside  
Story of the Sinking of  
the Lusitania

BY  
JOHN PRICE JONES

With Introduction by  
ROGER B. WOOD  
Former Assistant U.S. Attorney in New York

PUBLISHED BY  
A. C. LAUT  
286 FIFTH AVENUE, NEW YORK

FC

A.371797

COPYRIGHT, 1917  
BY  
JOHN PRICE JONES  
AGNES C. LAUT

---

*First Printing*  
*February 20th*

---

*Second Printing*  
*April 12th*

THE WILLIAM G. HEWITT PRESS  
Brooklyn, New York



TO  
**F. S. J.**



# CONTENTS

CHAPTER	PAGE
I AMERICA ; THE BACKGROUND OF THE WAR .	13
II CAPTAIN FRANZ VON PAPEN, DIRECTOR OF GERMANY'S MILITARY ENTERPRISES ON THE AMERICAN FRONT . . . .	25
III CAPTAIN VON PAPEN, BUYER OF PASSPORTS AND PROMOTER OF SEDITION . . .	62
IV VON IGEL AND KOENIG, TWO OF THE KAISER'S FAITHFUL WORKERS . . .	77
V CAPTAIN KARL BOY-ED, THE EMPEROR'S SOCIAL DANDY AND VON TIRPITZ'S JACKAL	99
VI CAPTAIN FRANZ VON RINTELEN, GERMAN ARCH-PLOTTER . . . .	126
VII CAPTAIN FRANZ VON RINTELEN (concluded)	147
VIII HOW THE LUSITANIA WAS SUNK . . .	163
IX DR. HEINRICH F. ALBERT, GERMANY'S BAG- MAN AND BLOCKADE RUNNER . . .	179
X AMBASSADOR DUMBA, GERMANY'S CO-CON- SPIRATOR . . . .	201
XI GERMANY'S LOBBY IN CONGRESS . . .	212
XII CHANGING THE SYSTEM . . . .	221



## INTRODUCTION

**W**HEN the German note announcing that the Imperial German Government intended to resume with greater vigor its ruthless submarine warfare was handed to the Secretary of State of the United States, a crisis in the affairs of this Nation was abruptly precipitated. The President met that crisis with courage, with promptness and in a way that merits, and has, the unqualified support of every American who is proud of his citizenship.

After the receipt of such an insulting note it was unthinkable that the United States could longer remain on friendly terms with a Nation that deliberately returned to wanton murder of innocent non-combatants, including women and helpless children.

The conduct of the Imperial German Government in striving to win a war by means (which barbarians would hesitate to use) begun by that Government without just cause and pursued by riding rough-shod over a much smaller and much weaker Nation, has been condemned by every civilized country, and it will be many years before the German people recover from the shame and degradation into which they have been plunged.

Germany will have to repent in sackcloth and ashes for a long, long time before it is received again into the Family of Nations.

In prosecuting the war, Germany and her allies have proceeded from the beginning upon the theory that "the end justifies the means" and acting upon that theory have held in supreme contempt the rights of neutral nations.

From the beginning of the war, subjects of Germany, resident in the United States, have continuously violated our laws in the most outrageous and flagrant manner.

At the very threshold, they sought to use the United States as a base from which to supply the German raiders in the

South Atlantic and to that end, by fraud, obtained from the collectors at various ports of the United States legal clearances, thus subjecting every ship which lawfully cleared from any United States port to seizure by the Allies.

Next, they sought and obtained, by fraud, and false swearing, passports to be used by German reservists in returning to Germany, traveling under the guise of American citizens; thus placing in danger the lives and liberty of honest Americans traveling with legitimate passports and entitled to the protection of this Government.

Because the Allies were able to purchase in the United States munitions of war, foodstuffs and all other supplies they might need and were able to transport them and because the United States did not at the behest of the Imperial German Government, stop the sale and transportation of the supplies, which its citizens had a perfect right to sell and transport, German residents devised the inhuman scheme of making chemical fire bombs and infernal machines to be placed on ships carrying passengers and supplies, with the deliberate intent and purpose that the ships should be crippled or sunk in mid-ocean—it mattered not to them that all on board might find a watery grave.

Numerous attempts have been made to equip men of the most desperate character with necessary explosives and other implements of death and destruction and have them go from the United States into Canada, our friendly and respected neighbor, to destroy railroads, canals, ships, warehouses and factories without regard to human life.

Agents have been sent to the United States with unlimited money at their command to engage gunmen and thugs to blow up our munition plants and factories—many explosions have occurred—many lives have been lost—much damage has been done—I cannot say who caused such wholesale murder to be committed, but I have the right as you have, to suspect.

It is a matter of record that the German Military Attaché, Captain Franz von Papen and the German Naval Attaché,

Captain Boy-Ed, knew of and sanctioned some of the conspiracies above referred to—*perhaps* the German Ambassador did not know of them; but it will be hard to convince a hard-headed, common-sense American citizen that he did not know what his right hand and his left hand were doing in such a crucial period.

Murder has followed murder on the high seas, one crime came fast upon another in the United States, and now we are told that this Government must do as the Imperial German Government directs; or murder on a more colossal scale will be the result. The people of the United States have not taken orders from any Government since 1776 and the German murderers ought to have known we would take none now, least of all from a Government that had forfeited its right to the respect of any civilized nation.

The President and his advisers have been patient, most patient—realizing, no doubt, that “War is Hell.” The American people have approved all that Mr. Wilson has done and to-day they are with him to the last man—if there is to be war, so be it—better war than the cold blooded murder of any more of our citizens.

“America Entangled” will give you some small conception of what the Germans in the United States have been doing since August 1, 1914. Its Author has followed their nefarious plots very closely and he has an intimate knowledge of his subject.

Its purpose is to let the American people know the danger that lurks within; to sound the alarm so that every man may be on his guard; to show the grave necessity for preparedness against a foreign foe, and particularly numerous alien enemies within our borders.

If it serves in a small measure to accomplish its high aim, its author will be amply repaid because he will have rendered a great service to humanity and above all to our Country, which we love more than all else, save God.

ROGER B. WOOD,





## FOREWORD

**T**HERE have been two kinds of German propaganda. One, devoted to setting before the American people Germany's side of the war, may be classed as legitimate. The other has been illegal and criminal. While both are set forth in this narrative, the greater space has been devoted to illegal activities.

The author claims for this book no other distinction than a plain unvarnished statement of facts—vital, dramatic, absorbing facts of the manner in which secret agents of the Teutonic governments, acting under orders of authorized directors, have attacked the very integrity of our national life, commercial, social and politic. It contains facts arranged from an American viewpoint by an American who considers it his duty to present them to his fellow Americans.

These facts were obtained by the writer as a reporter on *The New York Sun* who devoted a year to no other work. *They were derived by a pains-taking investigation and where flat statements are made they are based on knowledge obtained by the author from various authorities and from the examination of documents some of which have never been published.* They show how German agents sought to subvert the aims of our government to the advantage of the Central Powers. They furnish a glimpse of the manner in which these men and women sought to make America the hinterland for the European War; how they planned and executed bribery, arson, felonious assaults; how they plotted destruction of property and even murder on American territory.

These facts emphasize the need of a new kind of preparedness. They prove that not only does the nation need preparedness in arms on both land and sea against a foreign foe but also defense against those within our bounds, who are eager to betray us. No true American, whether he be pro-Ally, pro-

German, or strictly neutral, can read this book without realizing the thoroughness and the perfection of the German espionage system and, being convinced of the way in which Germany's spies have overrun the entire country, and must appreciate the necessity for preparedness to cope with these men and this system in a different guise in the event of still graver issues.

JOHN PRICE JONES.

January 1, 1917.

## CHAPTER I

### AMERICA: THE BACKGROUND OF THE WAR

**A**MERICA has been the great background of the European War. Though far removed from the trenches with the play of artillery and the heroic charges, this country has been the scene of an equally dramatic, though silent struggle—a battle not visible to the eye. It has been a conflict of wits, of statesman pitted against statesman, of secret agent striving to outdo his opponent of a belligerent nation; for in America, agents of Germany have been striving for a twofold aim. They have sought to enmesh the United States in an international conspiracy and to use this country as the means of a rear attack on the Entente Allies.

And New York has been the center of it all. In several of the huge office buildings that make the thoroughfares of the city seem like canyons, Germany had, and still has, the headquarters of a vast nerve-like system radiating throughout the country. The nerve coils are composed of thousands of secret agents located in every city and town. These men have worked under orders from Berlin in the execution of a series of cam-

paigns designed to be of service to the Teutonic Allies. Against these men have been pitted agents of the American government, all aiming to detect the schemes and frustrate any plans for the violation of our neutrality laws.

A diplomat, famed for his finesse and grace of manner, was at a reception given to distinguished statesmen, talented business men and attractive women. The conversation was turned to the topic of spies. One woman wished to know if the diplomat had encountered any spies.

"Well," remarked the diplomat, "I used to stop at the Hotel Grandeur, but Count ——" (mentioning the name of a diplomat of a nation with which his country was at war) "persisted in having my baggage searched every day. So I moved to the Hotel Excellency; but I found things no better there."

"Didn't you complain to the management?"

"Ah, no," answered he gravely, "but every time the Count stops at the Hotel Elaborate, I have his baggage searched, too."

Perhaps the diplomat was not serious, but in days when the destiny of nations was at stake, it was likely that he was speaking none too lightly of a game that had doubtless cost him many an hour of the keenest anxiety.

Of all secret service systems, the most elaborate and machine-like is Germany's. It has been organized not merely to gather information, but to trample upon the laws of the United States,

to do anything to hinder any project of the enemy's. Constructed in the hours of peace with the utmost care and foresight, it was easily expanded in the United States at the outbreak of the war into such a vast network that if a representative of the Allies suddenly retraced his steps or halted suddenly when around a corner, he was almost sure to bump the shins of a German spy. Germany, always methodical and thorough, possessing a genius for moulding a multitude of details into an effective whole, had prepared her secret service system with the same efficiency with which through scores of years she had equipped her military forces for battle; indeed, her secret service was a part of her military forces.

The system is based on the principle of "Lass die linke Hand nicht wissen was die rechte tut"—"let not the left hand know what the right is doing." *So thoroughly is this maxim followed that two German spies may be working side by side and not be aware of the fact.* Though groups of Germans may engage in some activity with a thorough understanding of the aims of another, still the order of silence is rigorously enforced. The agents hand their information to a superior, who in turn transmits it to somebody higher up. *One spy knows only the person or group of persons with whom he directly deals, sending information along devious and hidden routes up to the final assembling point.*

Germany's spy system has been the sword hand

of her statesmen and her diplomats. When this war is over and the world learns of the moves, counter-moves, and Machiavellian methods of German diplomats, with their intrigues, secret understandings, and their daring attempts to force this country into dangerous situations, people will realize more clearly than to-day what a marvelous system has been behind many seemingly casual developments in this country. It will be shown how German agents have violated our laws to gain secret information for Germany's good; how her secret agents have committed crimes in order to coerce diplomatic negotiations.

#### RAMIFICATIONS OF UNDERGROUND PLOTS

So perfectly organized and so responsive to the slightest suggestion from Berlin is the American branch of the Kaiser's secret service that vast undertakings—some legitimate, many in violation of American laws—were carried out.

The magician, who invented the wireless, enabled the German General War Staff to move to New York. The splash and splutter of electricity over oceans and continents virtually transported Germany's leading statesmen, tacticians, and scientists at will to hold sessions in Manhattan on matters arising in America and bearing on the battle-front in the many theatres of actual warfare. For instance, how many people know that the secretary to one of the generals on the

Western Line was a brother to one of the most notorious woman plotters in America? Germany had foreseen the possibilities of the wireless in war and had developed secret methods of sending code messages by radiogram, when apparently only ordinary messages were being transmitted, and she had also, some way or other, got possession of the code ciphers of other nations. Every night messages have been sent out from Germany, apparently blindly, addressed to no one and have been picked up by hidden receiving stations in America and other countries.

While Germany calls her spy system "a bureau of intelligence," its purpose is confined not merely to the gathering of information, but to the carrying out of any campaign that will be harmful to the enemy. In the United States, German reservists, army officers, representatives of the German Government—have been indicted for crimes against Federal laws. These violations were committed without doubt in a self-sacrificing spirit with the aim of helping the Fatherland. Germans, or German influences, have been behind schemes in violation of neutrality laws and restraint of trade. *They have attempted arson, bribery, forgery, engaged in military enterprises, caused explosions in ships and factories, resulting in many deaths, and have set fires in ships and factories.*

They have participated in plots against Canada, Ireland and India, all developed in the

United States under the supervision of the German representatives of Berlin, though often ostensibly carried out by anarchist tools. *The activities of the German agents, multitudinous in detail and variety, all have been designed to hinder the Allies in their prosecution of the war, to cause a breach between the Allies and the United States, to embroil this country in a war and to accomplish other secret aims of the General War Staff.* In all the propaganda, German secret agents and official representatives of the German Government have had no regard for the laws of America, but, in fact, have sought to place the United States in a position of being secretly unneutral.

But the German Government has officially denied that she ordered any of her subjects to undertake any act in violation of American laws. Shortly after President Wilson in his message to Congress bitterly attacked the activities of Germans and German-Americans in America, accusing the latter of treason, the German Government authorized the statement that it:

*"Naturally has never knowingly accepted the support of any person, group of persons, society or organization seeking to promote the cause of Germany in the United States by illegal acts, by counsels of violence, by contravention of law, or by any means whatever that could offend the American people in the pride of their own authority. If it should be alleged that improper*



*acts have been committed by representatives of the German Government they could be easily dealt with. To any complaints upon proof as may be submitted by the American Government suitable response will be duly made. \* \* \* Apparently the enemies of Germany have succeeded in creating the impression that the German Government is in some way, morally or otherwise, responsible for what Mr. Wilson has characterized as anti-American activities, comprehending attacks upon property in violation of the rules which the American Government has seen fit to impose upon the course of neutral trade. This the German Government absolutely denies. It cannot specifically repudiate acts committed by individuals over whom it has no control, and of whose movements and intentions it is neither officially or unofficially informed.”\**

To this official disavowal of German propaganda in America, there are two answers that stand out with dramatic force. First, the extent to which the subjects of Germany are expected to go in war time is shown by excerpts from Germany's War Book of instructions to officers, which says in part:

*“Bribery of the enemy's subjects with the object of obtaining military advantages, acceptances of offers of treachery, reception of deserters, utilization of the discontented elements in the population, support of the pretenders and the like are permissible; indeed, international law is in no way opposed to the exploitation of the*

---

\*Berlin despatch in the New York Sun, Dec. 19, 1915.

*crimes of third parties (assassination, incendiarism, robbery and the like) to the prejudice of the enemy. Considerations of chivalry, generosity and honor may denounce in such cases a hasty and unsparing exploitation of such advantages as indecent and dishonorable, but law, which is less touchy, allows it. The ugly and inherently immoral aspect of such methods cannot affect the recognition of their lawfulness. The necessary aim of war gives the belligerent the right and imposes upon him, according to circumstances, the duty not to let slip the important, it may be decisive, advantages to be gained by such means.”\**

Secondly, since Germany sent out that semi-official proclamation from Berlin concerning propagandists, many steps have been taken by the American Government, both administrative and judicial, which belies Germany's contention. Captains von Papen and Boy-Ed, military and naval attachés respectively, have been dismissed from this country for “improper activities in military and naval affairs.”

There was no favoritism in the German secret service. Every German, high or low, was open to assignment, disagreeable and dishonorable, in getting information, and to orders to commit crimes—for Germany stops at no crime—that may be necessary to circumvent the enemy.

Captain von Papen showed his feeling keenly

---

\*The War Book of the German General Staff, translated by J. H. Morgan, M.A. pp. 113-114.

one night at a dinner of a few men where the wine flowed freely.

"My God, I would give everything in the world," he exclaimed, "to be in the trenches where I could do the work of a gentleman." In his work, there was no public reward for work well performed according to the war code. That man's sentiments were echoed by von Rintelen, who, when among friends, fairly shook with emotion at the thought of the work in which he was engaged.

"How loathsome I feel," he said. "How this dirty work sticks to me! When this war ends, I shall take a bath in carbolic acid."

### THREE EXECUTIVES IN THE UNITED STATES

Over all the thousands of reservists, trained agents, and other spies were the men in charge of the centers of information to whom they made their report; and the three or four chief lieutenants in charge of the various and distinct line of activities into which these matters of war, finance and commerce automatically were divided. There were practically, outside of the Chief Spy, three important executives in this country, supervising respectively the commercial, military and naval lines of information and activity. Each one of these men was surrounded by a group of experts who had charge of a sub-division of the work. All had their legal advisors, their bankers, and every sort of an expert that their special work

required. Upon them fell the task of sifting and analyzing the mass of facts gathered by the spies and making reports to Berlin. Upon each one of them also fell the duty of carrying out any orders that might come from the General War Staff in Germany.

First and foremost of the three lieutenants was Dr. Heinrich F. Albert, Privy Counselor to the German Embassy in America and Fiscal Agent of the German Empire. He directed the gathering of a huge mass of information of value to Germany concerning the financial, industrial and commercial activities of this country, and was the chief instrument through whom money reached the army of spies. Though he was the director of many activities, nothing criminal, it must be asserted in justice to him, has been traced to him.

The military agent was Captain Franz von Papen, the attaché of the German Embassy. His work was confined specifically to the procuring of information that would be of aid to the Imperial German army and to the military tasks that might be peculiarly helpful to the army.

The naval expert was Captain Karl Boy-Ed, another attaché of the German Embassy. He had under him experts who made a specialty of various lines of naval matters, fortifications, coast defenses and explosives.

The headquarters of the entire system were

and are yet in New York. Dr. Albert had his offices in the Hamburg-American Steamship Company's building, and he utilized at times a good part of the Hamburg-American Company's staff—a concern in which the Kaiser himself owns a large percentage of the stock. In the same building was the office of Paul Koenig, the business manager of part of Germany's spy system in America, though nominally the Superintendent of Police for the Hamburg-American line. Captain Boy-Ed had his headquarters in Room 801 of 11 Broadway, and Captain von Papen had his on the twenty-fifth floor of 60 Wall Street.

This narrative seeks to show as definitely as possible the work of these three agents of Germany in America and of others co-operating with them. It sets forth the enterprises that they plotted and the ramifications of their organization. It reveals how countless agents, unaware that they were parts of a vast system and often innocent of any intentional wrongdoing, acted their parts. It shows how that part of the machinery engaged in legitimate propaganda was linked at places with the machinery executing illegal acts.

While the conspiracy has been manipulated, the American Government has been very active. To the skill of the United States secret service, headed by Chief William J. Flynn, always alert and apparently unruffled in the most trying

crises, and to A. Bruce Bielaski, head of the special agents of the Department of Justice, and William M. Offley, Superintendent of the New York Bureau of the special agents, has fallen the task of seeing that the representatives of the different countries followed the American maxim, "Play fair; play according to the rules of international law and the laws of this country." Upon Police Commissioner Woods, his deputy, Guy Scull, of New York, and his enthusiastic and clever aid, Police Captain Thomas J. Tunney, has devolved also the hazardous and difficult task of combatting the schemes of those spies. Those men, by courageous and skilful detective work have unearthed and foiled some of the most daring bomb plots of the Germans.

To Messrs. Flynn and Bielaski, at times, have come secrets of intrigue and conspiracy that must have made them, even as it has the President, almost tremble with the import of impending events that had to be forestalled.

## CHAPTER II

### CAPTAIN FRANZ VON PAPEN, DIRECTOR OF GERMANY'S MILI- TARY ENTERPRISES ON THE AMERICAN FRONT

**I** ALWAYS say to these idiotic Yankees they had better hold their tongues."

So wrote Captain Franz von Papen, German military attaché in America, to his wife in Germany—a letter which he entrusted to Captain James F. J. Archibald, American newspaper correspondent and bearer of secret and confidential messages from Teutonic representatives. The German word which the Captain used was "bloedsinnig," meaning silly, stupid, idiotic. It has a sneering ring, truly typical of the Prussian warrior's contempt for Americans. It suggests the disdainful feeling which the military attaché had for the loyalty of Americans. One can imagine his sly laugh as he handed to an American that letter and code messages to the War Staff. With a similar feeling of contempt for the British, when dismissed from this country and assured of safe conduct as to person, he carried on board the Steamer *Noordam* a portfolio of papers from friends reflecting the same disgust for

America and outlining his own unlawful and criminal acts in America. But in both instances his arrogant self-confidence brought exposure.

This attitude of arrogance was Captain von Papen's chief characteristic. Joined to it was the brother trait, bluntness. He believed that the American people were not only stupid but also weak-sighted and that he could do anything he wanted without detection. So he put his heart and soul into military and criminal enterprises upon American soil. The Captain apparently thought that the American authorities would not suspect his machinations, for, unlike Captain Boy-Ed, he made comparatively few efforts to cover up the trails of his activities. That carelessness proved his scorn for American detective methods, for with all his haughtiness and bravado he had been trained in a school of craft. He had been drilled under instructors who placed a prize on cunning, deceit, intrigue, reckless disregard of the rights of others, and the destiny of Prussia as a conqueror. The Captain presumably believed that craft and cunning were not necessary in America.

#### CONTEMPT FOR DEMOCRACY

Confident that he was eluding the watchful eye of the United States authorities with more skill than his associates, he sent a telegram one day to Captain Boy-Ed, warning him to be more careful. Whereupon the latter, smiling cheerfully to



himself, wrote this letter: "Dear Papen: A secret agent who returned from Washington this evening, made the following statement: 'The Washington people are very much excited about von Papen and are having a constant watch kept on him. They are in possession of a whole heap of incriminating evidence against him. They have no evidence against Count B. and Captain B.-E. (!)'" Boy-Ed, a little too optimistically, added: "In this connection I would suggest with due diffidence that perhaps the first part of your telegram is worded rather too emphatically."

Wrapped in that sense of contempt the military attaché began immediately upon the outbreak of war, even as he had planned before it, to make the United States "the hinterland" of the European battlefield. In the Embassy at Washington, the German consulate in New York, the Hamburg-American Building, an office in 60 Wall street—which he secretly leased—and on board German merchantmen tied up in New York Harbor, he gathered about him German officials and German reservists, outlining plots in violation of American law, all designed to injure the Allies and help the cause of Germany. In those conferences, *his arrogant disregard of America* and his determination *overruled the hesitating dissentors*. His was the Prussian spirit of aggression. In those gatherings, he was both the dominating and the domineering factor: tall and broad-shouldered, with a commanding atti-

tude, energetic in speech, and lightning-like in the development of bold plans. He has the strong forehead, the long, firm nose, and the heavy underjaw of a commander, but the large ears that denote recklessness and eyes blue and hard as steel.

#### UNDER ORDERS FROM BERLIN

He had been selected in his youth for secret work because of an aptness which he early displayed. He had been trained especially for the work which he undertook in other countries under direction of the German General Staff and for the tasks that devolved upon him in America both before and after the war. As a young officer he was sent out from Germany, travelling as a civilian, making special studies of the sentiment of the people, the topography of the country, and getting in touch with other secret workers. One of the countries which he studied with remarkable care was Ireland. He tramped and rode every foot of the land and knew it thoroughly. He displayed something of the knowledge he had acquired when riding in Central Park, one day after the war started, he stopped to chat with an acquaintance who had bought a mare. Waxing enthusiastic over the animal he quickly showed his acquaintance with Ireland by giving the breed of the mare and telling exactly the counties in Ireland where that breed could be found.

How well he disguised himself in those various

expeditions when he rode horseback simply as a sightseer, is indicated by his horsemanship. Though he was trained in a riding school at Hanover, where they supposedly teach the French method, nevertheless in Central Park, where many a morning he could be observed, he displayed perfect English form. They say that when one learns the French style, one invariably clings to it above all others. Naturally, a horseman travelling through Ireland revealing every characteristic of the French school would attract attention.

As the military attaché of the German Embassy, Captain von Papen was under orders, not of Count von Bernstorff, but of the military head in Germany. Appointed personally by the Kaiser as the representative of the German Army in America and Mexico, he had the commission that falls to every military attaché of a foreign government, namely, to make a study of the army of the nation to which he is accredited.

Captain von Papen, always striving for praise and preferment from the Kaiser, was a most enthusiastic gatherer of military information. Knowing that no phase of military activity throughout the world escapes the watchful eye of the Chief Spy or the German General Staff, von Papen was always on the alert for any invention, new method of warfare, or germ of an idea that might be developed into an important

element for Germany's advantages; just as the War Staff got their suggestion for the modern trench warfare from the Indians and later from the Civil War. For instance, shortly before the great war started, Captain von Papen, addressed as "Royal Prussian Captain on the General Staff of the Army," was directed by R. von Wild, of the Ministry of War's office, to proceed to Mexico and there investigate the attacks on railroad trains by means of mines and explosives. He made a thorough investigation and though he reported: "I consider it out of the question that explosions prepared in this way would have to be reckoned with in a European war," he nevertheless sought to utilize that method in blowing up tunnels and railroads in Canada.

#### AT WORK IN MEXICO

How well von Papen, as an organizer and military investigator, acquitted himself in the interest of the Kaiser is set forth in Rear Admiral von Hintze's own language in a report which he made from Mexico to the Imperial Chancellor recommending von Papen for a decoration. That letter is striking; for it suggests the work which von Papen did afterward in America, if he had not already made the arrangements for it prior to the outbreak of the European conflict. The admiral wrote that von Papen "showed special industry in organizing the German colony for purposes of self-defense and out of this shy and factious

material, unwilling to undertake any military activity, he obtained what there was to be got."

While von Papen had a staff of experts and of secret agents prior to the war, he did not then have the perfectly developed system at his command which he used afterward. That he had his plans well mapped out for any contingency and that he knew the situation thoroughly is vividly illustrated in a draft of a cable message which he sent to Captain Boy-Ed from Mexico City on July 29, 1914, saying:

"If necessary arrange business for me too with Pavenstedt. Then inform Lersner. The Russian attaché ordered back to Washington by telegraph. On outbreak of war have intermediaries located by detective where Russian and French intelligence office." The latter part of the message, referring to intermediaries, is open to two interpretations: first, that Boy-Ed was to have detectives locate the Russian and French intelligence offices; second, Boy-Ed, was to place spies in the Russian and French intelligence bureaus.

Hurrying to Washington, the military attaché immediately took charge of the military part of Germany's spy system. He began to weld together into a vast organization scientists, experts, secret agents and German reservists who would gather information for him and who would be ready at the command of the General War Staff, to undertake any military enterprise. The en-

tire organization of German consuls and representatives in America work in unity in war as in peace. How quickly von Papen got his staff together is shown in a statement made by Franz Wachendorf, alias Horst von der Goltz, alias Bridgeman Taylor, who became one of Papen's aids in spy work and military enterprises. Wachendorf, who was a major in the Mexican army at the outbreak of war, said under oath: "The 3d of August, 1914; license was given me by my commanding officer to separate myself from the service of the brigade for the term of six months. I left directly for El Paso, Texas, where I was told by Mr. Kuck, German consul at Chihuahua, Mexico, who stayed there, to put myself at the disposition of Captain von Papen."

#### CALLING RESERVISTS

The military attaché also had help from Germany and from German reservists coming from other countries. The War Office in Berlin sent him men. Captain Hans Tauscher, the husband of Mme. Galski, was in Germany when war was declared. A reserve officer of the German Army, he immediately offered himself for duty. His order was to return to America at once and report to Captain von Papen. Likewise, soldiers and secret agents with special equipment, who were in different parts of the world and who had no definite work, were ordered by wireless or through secret channels to hasten to Captain von

Papen's assistance. After a time, the Chief Spy in Germany detailed some of his aids to America to help in the upbuilding of a still more effective system of espionage.

Though remarkably skilled and trained to a high degree in a number of different lines, Captain von Papen made it his business to gather around him experts on every phase of military affairs, giving definite assignments to each and thus dividing the work so that greater speed and efficiency were obtained. He chose Captain Tauscher, agent of the Krupps and other big and small gun manufacturers in Germany and Austria, as one of his aids in gathering information. Captain Tauscher is an expert on ordnance and as such he was of invaluable assistance to Captain von Papen in obtaining facts regarding the manufacture of heavy ordnance and explosives for the Allies. *Tauscher was on most friendly terms with U. S. Ordnance officers.*

Von Papen selected George von Skal, a German journalist and former Commissioner of Accounts of New York, as a paid assistant in his office; and as a matter of fact every one of the big German agents in America had on his staff at least one trained newspaper man. He took as his secretary Wolf von Igel, a young man of distinguished appearance, and through him secretly rented a suite of offices in Wall street "for advertising purposes."

Another man upon whom he could call for help

was Paul Koenig, lent by the Hamburg-American Steamship Company. Through Koenig, von Papen could reach out to countless Germans and select men for any sort of task. Sometimes, however, von Papen met with a refusal. He asked Captain Tauscher to perform a certain piece of work of questionable character and received in substance this answer: "I am ready to do anything within the law but I will not attempt this task." Experts in the chemistry of explosives; scientists of various sorts; lawyers and other advisers were on the military attaché's staff, all having special tasks and all working for the Kaiser with or without pay.

#### FOREIGN ARMY ON U. S. SOIL

Von Papen sought to protect his Wall street suite of offices from public investigation by installing therein a safe bearing the seal of the Imperial German Government. That safe, protected by timelocks and by electrical devices against the curiosity of other secret agents or the prying eyes of policemen, is said to have contained the plans of the military phases of German propaganda. When the Federal agents, suddenly descended upon the office one day to arrest von Igel, they found the safe open and the documents neatly laid out on the table preparatory to shipment to Washington. From those papers the State Department and the Attorney-General have learned much of the history of von Papen's activities—



the inner workings of the German spy system. In that office von Papen kept the full list of his various secret agents, German and American, working for him, their addresses and telephone numbers; various code books for the deciphering of messages sent to him and for sending word to agents in this country or making reports.

Accordingly, when von Papen's plan for espionage was perfected, he had not only a staff of experts at his elbow, but thousands of reservists, the help of German and Austro-Hungarian consuls and channels of information. He had men at his disposal for dangerous and delicate missions to other countries. The ramifications of this fact—collecting agency and of activities which he supervised for the good of the Fatherland were so finely organized and so comprehensive that von Papen in reality was the head of the military division of the German spy system of the entire world, outside of the countries belted by the Allies with a ring of steel.

Facts to prove the details of von Papen's organization and deeds were obtained from the von Igel papers, from the letters and secret documents taken from Captain Archibald; from documents and check stubs found in von Papen's possession when searched at Falmouth, England; from von der Goltz's confession; from scores of witnesses and from facts dug up by the Secret Service and the Department of Justice. The trials of various offenders against neutrality laws have given the

public more evidence. United States District-Attorney, H. Snowden Marshall, in New York, his assistants, Roger B. Wood, in charge of the criminal division; Raymond H. Sarfaty, John C. Knox, and Harold A. Content, all set forth before the public many phases of the ingenious, underground methods of spying and violating the law. Upon the evidence found by those officials and by United States District-Attorney Preston, of San Francisco, the following facts are presented:

Once the spies were selected and assigned to their duties, von Papen sought first, to glean information bearing on the great war. He was interested, naturally, in the amount of shrapnel shells and high explosives which the Allies were purchasing. He was eager to ascertain what American Army officers were learning about the military operations on the continent and what the American Government was doing to develop its army to cope with the new problems arising from the war. He was watching the officers of the Allies in this country. He was seeking lines of communication with the racial elements in America that were allied with the insurrection forces in the colonies of the Entente powers. The varied results of his investigations are shown by extracts from reports which he sent to Berlin by Captain Archibald. One letter told, for instance, that the Norwegian and Holland governments were in the market for war materials. Von Papen

asked if there were any objection by Germany to the sale to those governments of war products purchased by him in America, adding:

"I could probably dump on the Norwegian Government a great part of the Lehigh Coke Company's toluol which is lying around useless."

In a cipher despatch to the chief of the General Staff in Berlin, he noted a conversation overheard in Philadelphia between two Englishmen. One British army officer, he said, was explaining a method for conveying military information by photographs. Likewise he gathered news of the Spanish government seeking supplies and sifted the facts assembled from factories, banking houses, diplomatic sources, and transportation offices about the Allied war orders.

#### SECRET AGENTS BLOCK OUT AMERICA

Captain von Papen's checks and his stub book are a veritable diary of some of his criminal—or if you please, military—activities in America. They give the names and the aliases of his secret agents; and day after day are recorded therein the payments made by von Papen to the persons working for or with him. The check stubs tell the story of the purpose of the payment and by means of the endorsements on the checks one can gather in skeleton form the story of a part—but not all—of the propaganda which the military attaché supervised. The stubs show the receipt of money, almost immediately after the beginning

of the war marked for "War Intelligence Office." The interesting thing is that money for war intelligence work came from von Bernstorff and that funds for salary and expenses came from Dr. Fr. Adler, the Ambassador's secretary. To the fact that Captain von Papen kept such an accurate diary—an instance of German efficiency—is due in part the exposure of his varied activities in this country.

To Anton Kuepferle, another German spy captured in England and suspected after a confession to have shot himself, he gave \$100. To Wachen-dorf he gave funds that the latter might go both to Berlin and England in the service of the Kaiser. To Paul Koenig, he handed many accounts for secret service work, paying also the expenses of Koenig's agents on trips to Montreal and Quebec in hunting information about enlistments of soldiers in Canada and the shipments of supplies from Canadian ports. The stub book also shows that he sent agents to investigate ammunition factories in different parts of the country and that he paid the expenses of von Skal in getting "photographs for the War Intelligence Office." He constantly was sending checks to consuls in various parts of the country to pay the expenses of reservists and agents.

#### TO INVADE CANADA

The diary, too, tells you of Captain von Papen's plan to invade Canada. Scarcely had he

arrived in this country from Mexico, a few days after the Germans had invaded Belgium than, as general in chief of the German reservists, he began to mobilize his forces for a military enterprise in Canada. If you look at the Captain's diary you see these entries—"September 1, 1914, Mr. Bridgeman Taylor, \$200;" "September 16, for Buffalo, Taylor, Ryan, \$200;" "September 22, for Ryan, Buffalo, \$200;" "October 14, for Fritzen and Busse, Buffalo, \$40.00."

These are the earmarks of an unsuccessful military enterprise; for just as soon as Captain von Papen saw reservists gather in New York and assembling in other points he laid his plans for a concerted move on Canada. He discussed the details with his majors, captains and lieutenants assembling in New York. He met them in secret at night in the German Club and with maps and other detailed plans he set forth his mode of attack.

*Captain von Papen's scheme—as they talked it over at the German Club—was to create such a reign of terror among Canadians that the provincial governments would deem it absolutely necessary to keep all the troops in Canada for defense rather than hurry them to the European battlefield. The plan, while it entailed explosions and fighting, was largely for psychological effect. One part of the scheme was to send an expedition to blow up the Welland Canal, a waterway that runs around Niagara Falls on the Canadian side*

and is a most important avenue of transportation for freight and passengers. *The second part was to have an invasion by German reservists upon various parts of the Canadian border.*

Captain von Papen aimed to create a panic among the Canadians, to put such fear into them that they would say to England, "We need our troops for self-protection against the Germans in the United States"—thereby putting the United States in a position of being unable to preserve its neutrality. The destruction of the canal by a tremendous explosion, or the detonation of a car-load of dynamite on some railroad, or any sort of explosion in the Dominion, believed to have been supervised by Germans, would have had a tremendous effect upon the people. Doubtless this was what Captain von Papen sought; for that was the way he outlined the scheme to his assistants.

One of the men whom von Papen gathered for secret conference in the German Club, it is charged, was Wachendorf. "Von der Goltz" in a confession made to the Federal authorities said that he was asked to give his opinion about a proposal made to the German Embassy, the writer of which, a certain Schumacher, had asked for financial support in order to carry out a scheme by which *he would be able to make raids on towns situated on the coast of the Great Lakes. He proposed to use motor-boats armed with machine-guns.* Though the proposal was rejected

on account of the Embassy receiving unfavorable information about the writer, "von der Goltz," next was requested to aid in a scheme of invasion of Canada with a small armed force recruited from the reservists in the United States. The scheme, which was proposed by von Papen and Boy-Ed, was abandoned as objections to it were made by Count von Bernstorff. "Von der Goltz" says he was told so by Captain von Papen.

### BLOWING UP CANALS

Captain von Papen next asked "von der Goltz" to see at his hotel two Irishmen, prominent members of Irish associations, both of whom had fought in the Irish rebellion and who had proposed to Captain von Papen to blow up the locks of the canals connecting the Great Lakes, main railway junctions and grain elevators. "Von der Goltz" says he received the gentlemen at his hotel, the men bringing with them a letter of introduction written by Captain von Papen. After having taken them to his room he got further details of the matter, maps and diagrams evidently cut out of books.

"Von der Goltz" also tells of going to Baltimore to enlist a number of German reservists who were staying on a German vessel there. In that scheme, he says, he had the aid of Karl A. Luederitz, German consul. He brought them to New York but believing that his movements were being watched by Federal agents, he sent

them back. Continuing his story of the conspiracy, von der Goltz writes:

"I saw Mr. Tauscher and he gave me a letter of introduction to the Dupont Powder Company, recommending B. H. Taylor, and the company supplied me with an order to the bargeman in charge of the dynamite barges lying on the New Jersey side near the Statue of Liberty. Captain Tauscher told me he would send the automatic pistols by messenger to Hoboken, to be delivered there to one of my agents at a certain restaurant, as he would be liable to punishment if he delivered them in New York without having seen my permit. The reasons why I did not apply to the police for a permit are obvious.

#### SCATTERING DYNAMITE

"In order to get the dynamite it was necessary for me to hire a motor-boat at a place near 146th Street, Harlem, and to put the dynamite on board in suit-cases. After returning to the dock, where I had hired the boat, I went in a taxicab, having two suit-cases with me, to the German Club to see von Papen, who told me to call for the generators and then wire again at the club. I took the dynamite to my rooms, where I kept also a portion of the arms packed in small portmanteaus ready to be moved, the rest of the dynamite and arms being in the keeping of two of my agents, one of which was Mr. Fritzen, discharged from a Russian steamer, where he had acted in the



capacity of purser; the other one being Mr. Busse, a commercial agent, who had lived for some time in England; the only other agent I employed besides C. Covani, who attended to me personally, Tucker not being entrusted with any of those things."

Going to Buffalo with his men and equipment, "von der Goltz" was unable for some reason to receive definite instructions from von Papen, who was supposed to communicate with him under the name of "Steffens." He says:

"Being thrown on my own discretion, I determined to reconnoitre the terrain where I wanted to act first, but to do nothing further till I should receive orders.

"On 25th September received notice from Ryan to come to Buffalo. Having meantime received private information that the 1st Canadian Contingent had left Valcartier Camp, I knew that I should be recalled, the object of the enterprise being removed. I received from Ryan the telegram agreed upon in that case, but as I had spent most of the money furnished to me I asked whether Ryan had not received money to enable me to pay off the men. Ryan said he had not, but gave me some of his own initiative, and said he would wire 'Steffens.' On the 26th September I received telegram from 'Steffens' telling me to do what I thought best, and asking whether I had received the \$200. Thinking it best to return to New York, all the more as funds were insufficient, I dis-

charged Busse and Fritzen, who went to Buffalo, left dynamite and other materials in the keeping of an aviator who was manager of a restaurant at Niagara Falls, to be used again when necessary, and left with Covani for New York by way of Buffalo."

The trial of Captain Tauscher on the indictment charging him with conspiring with von Papen, von Igel and others to blow up the Welland Canal resulted in the acquittal of the German reservist; but it was admitted that von Papen and von der Goltz had developed a plot to destroy the Canal.

The evidence presented by Prosecutor Wood made a case, corroborated by details of testimony and documents, that delighted legal experts. The jurors, several of whom were of foreign birth acquitted the captain apparently on the theory that, though he had furnished the dynamite, fuses and automatic revolvers to von der Goltz, he knew nothing about the plot, but simply had followed the orders given him by his superior officer, Captain von Papen.

#### OBEDIENCE IN AMERICA EXACTED

Captain Tauscher, on the witness stand, testified that he was in Germany at the outbreak of the war; that he had proffered his services as a reservist officer and that he had been directed to return to America and report to Captain von Papen. He said he knew von Papen as the head

of the German secret service and that he was compelled to obey him. He protested, however, that he had exacted a promise from von Papen to the effect that he would not be asked to do anything contrary to American laws. He said he was an ordnance expert under von Papen.

Many documents, revealing the manner in which von Papen and his assistants worked, had been taken from von Igel's office, formerly von Papen's New York headquarters and were presented as evidence by Prosecutor Wood. One document was a piece of paper in von Papen's own handwriting directing that a check in payment of the ammunition, pistols and dynamite, be drawn in favor of Captain Tauscher and that the same be charged to the account of William G. Sichols. Still another document was a copy of a letter written to a preacher in March, 1916, saying that Tucker, one of the witnesses in the Canal expedition, must be sent away for a time and remain quiet. The amount, \$100 was enclosed for that purpose. Tucker was arrested in Texas. Although Captain Tauscher was freed, practically every charge of the prosecution was admitted except that Captain Tauscher had any knowledge of von Papen's criminal intentions.

#### RECKLESS ADVENTURERS HIRED

Without doubt, according to facts gathered by the Federal authorities and developed in Canada, Captain von Papen and reservist German army

officers in the country did plan a mobilization of German reservists to attack Canadian points. Hundreds of thousands of rifles and hundreds of thousands of rounds of ammunition that were to be available for German reservists were stored in New York, in Chicago, and different places along the border. While the Canadian and the American officials developed evidence concerning this plan of invasion, Max Lynar Loudon, known to the Federal authorities as "Count Loudon," a man of nondescript reputation, who had secret communications with the Germans in the early part of the war, has confessed that he was party to the scheme for quick mobilization and equipment of an army of German reservists. While many persons insist that Loudon is a fabricator, nevertheless his secret activities were of such a character that he was under suspicion by the Federal authorities. At one time, he succeeded in getting himself invited to a Government House Ball, when the Duke of Connaught was the host. His bizarre costume attracted attention. The moment it was rumored that he was supposed to have two or three wives, a State investigation was commenced which resulted in the imprisonment of Loudon. His story therefore is interesting.

Through German-American interests the plans were made in 1914, he said, and a fund of \$10,000,000 was subscribed to carry out the details. Secret meetings were held in New York, Buffalo,

Philadelphia, Detroit, Milwaukee, and other large cities, and at these meetings, Loudon asserted, it was agreed that *a force of 150,000 men, German reservists, was available to seize and hold the Welland Canal, other strategic points and munitions centres.*

"We had it arranged," said Loudon, "to send our men from large cities following announcements of feasts and conventions; and I think we could have obtained enough to carry out our plans had it not been for my arrest on the charge of bigamy. *The troops were to have been divided into four divisions, with six sections. The first two sections were to have assembled at Silvercreek, Michigan. The first was to have seized the Welland Canal. The second was to have taken Wind Mill Point. The third was to have gone from Wilson, N. Y., to Port Hope, Canada. The fourth was to have proceeded from Watertown, N. Y., to Kingston, Canada. The fifth was to have assembled near Detroit and land near Windsor. The sixth section was to leave Cornwall and take possession of Ottawa.*"

After the enterprise on the Welland Canal failed and Count von Bernstorff, according to von der Goltz, disapproved of the Canadian invasion, there was a lull in any concerted move upon Canada.

By referring again to Captain von Papen's diary it is evident that he had other matters to absorb his attention. The stubs of the check book

record payments such as the following payment dated July 10, 1915, "H. Tauscher (Preleuther's bill for 'Res. Picric Acid') \$68. The busy attaché, fighting here in the interests of the Fatherland had other plans.

#### BUYS UP EXPLOSIVES

Captain von Papen was keenly alive to the production of explosives in America for sale to the Allies. He was watching closely the product of the different ammunition factories. He was locating the source of the ingredients for such explosives and he was naturally concerned in any method for preventing the export of arms and ammunition to the Allies. He possessed an unusual mind for economic data—a quality which aroused the admiration of Dr. Albert. The two men were much in conference over industrial matters that might be managed in the interest of the Teutonic Allies. Under Dr. Albert's guidance he took up the project of acquiring a monopoly in toluol, a constituent of the deadly explosive T. N. T., and for buying picric acid, and liquid chlorine.

How he made recommendations on these things to Dr. Albert was shown in connection with the fiscal agent's activities. Other secret letters and reports prove that he and his associates had control of the Lehigh Coke Company, which turned out a large amount of toluol and that he was studying to control the supply of picric acid

in this country. Still further, he devoted much time to the Bridgeport Projectile Company in Bridgeport, Connecticut. This company was organized shortly after the outbreak of the war and its promoters were prevailed upon to sell out to German interests who, after an exposé of their activities, disposed of their holdings to still another group. Carl Heynen, an able German organizer and expert in Mexican affairs, had charge of the plant and supervised construction work and the placing of contracts for steel, ammunition, and presses. The money was furnished by Hugo Schmidt, and Dr. Albert.

Von Papen, Heynen, Dr. Albert, frequently in conference, planned, as excerpts from memorandum prepared by them prove, to use the concern in several ways: (1) *to turn out supplies that could be used by Germany and her Allies, or by countries planning to make trouble for the United States*; (2) to take the Allies' orders and fail to fill them; (3) to use the company as a means of getting information from the War Department.

One of Captain von Papen's own letters reveals the importance of these enterprises. Writing to his wife about the so-called Albert papers, he says:

"Unfortunately they stole a fat portfolio from our good friend, Dr. Albert in the elevated. The English secret service, of course. Unfortunately, there were some very important things from my report, among them such as buying up liquid

chlorine and about the Bridgeport Projectile Company, as well as documents regarding the buying up of phenol and the acquisition of Wright's Aeroplane patent. But things like that must occur. I send you Albert's reply, for you to see how we protect ourselves. We composed the document to-day."

#### STOPPING SHIPMENTS FROM AMERICA

This search for information of military value and these plans for acquiring monopolies on certain ingredients for high explosives, carried on during the winter and spring of 1914-15, were but preliminary to a much more extensive campaign in which, as will be shown later on, Dr. C. T. Dumba, the Austro-Hungarian Ambassador, assisted by von Papen and Boy-Ed; worked with the idea, first, of controlling the arms and ammunition factories in this country, and next, of preventing the shipment of such products from America.

Naturally, during the winter and spring, Captain von Papen and Captain Boy-Ed, Dr. Albert, Count von Bernstorff, all along various lines, had been struggling to help the Fatherland, each eagerly hoping for success and some preferment extended by the Kaiser as a reward for tasks well performed.

Attacks were planned upon the Canadian Pacific Railway in the east, the Welland Canal, the St. Clair tunnel, running under the Detroit



River from Port Huron, Michigan, to Sarnia, Ontario, and tunnels of the Canadian Pacific Railroad in the Selkirk mountains. It is charged also in indictments handed down by a Federal Grand Jury in San Francisco that *the conspirators in the West planned also to blow up trains carrying munitions of war, horses, arms and the like, and also to attack trains carrying soldiers.* By a study on the map of the points thus mentioned it will be observed that these enterprises were planned with the utmost care to break into sections of the Canadian transcontinental railway system and to paralyze it absolutely. It can be seen at a glance that such plots, if carried out, would have prevented soldiers and munitions of war from travelling East to ship for the western front, or from going West to cross the Pacific, thence through Siberia to the eastern front. *To this land scheme was added the additional plots of destroying docks by incendiarism, ships by explosions and fire.* Furthermore, *agents on land under the direction of other men were studying the munition factories in the western part of the United States preparatory to causing explosions and fires.*

For the execution of these campaigns against munition industries and railroads in the West and Northwest, Captain von Papen had special lieutenants. The persons who have been convicted in San Francisco on the charge of conspiring to blow up railroads and to wreck the transcontin-

ental railway system in Canada are: Franz Bopp, German consul in San Francisco; Baron Eckhart H. von Schack, German vice-consul; Lieutenant Wilhelm von Bricken, attaché of German consulate; Charles C. Crowley, detective for German consul; and Mrs. Margaret W. Cornell, secretary to Crowley. They were sentenced to two years imprisonment each.

The question may justly be asked: "Why is it charged that von Papen was behind and directed all these enterprises?" The Federal authorities have established a connection between von Papen's headquarters in 60 Wall street, and the German Consulate in San Francisco, whence, according to United States District-Attorney Preston of that city, ramifications led out to the different angles of the conspiracy in the West. So strong is the evidence that the San Francisco officials have accused the defendants of using the mails to incite murder, arson and assassination. It is charged that the defendants planned to destroy munition works at Aenta, Indiana, at Ishpeming, Michigan, and at Gary and other places in the West. Among the evidence is one letter among several which has to do with the question of the price which would be paid for the destruction of a powder plant at Pinole, California, and in it reference was made to "P." The letter follows:

"Dear S.: Your last letter with clipping to-day, and note what you have to say. I have taken it

up with them and 'B.' (which the Federal officials say stands for Franz Bopp, German Consul) is awaiting decision of 'P.' in New York, so cannot advise you yet, and will do so as soon as I get word from you. You might size up the situation in the meantime."

While this and other letters show, in the opinion of the Government officials, that von Papen was concerned with the defendants mentioned in the western indictment, still other facts have been gathered against von Papen. He has been traced from Washington and New York to a number of points in the United States, his visits coinciding with remarkable closeness to the time that meetings of the alleged conspirators were being held. Captain von Papen sauntered from the Ritz-Carlton Hotel in New York one afternoon about 3.30, down Madison avenue to 42d street, where he wavered for a moment as if deciding whether he would turn over for a jaunt on Fifth avenue or drop into the Grand Central Station to buy a magazine.

After a moment he walked slowly into the station, glancing casually at his watch, moving just before the gate closed toward the entrance to the track where stood the Twentieth Century Limited and he was soon safely on board. The next day he was observed in Chicago, where he announced that he was on his way to Yellowstone National Park—and he disappeared. For several weeks he was lost to the sight of the zeal-

ous agents who were hunting him; but one day he was observed sauntering through the lobby of the Palace Hotel, San Francisco. In the course of his absence, he is said to have swung down along the Mexican border, where he caught up with Captain Boy-Ed, conferred with a number of secret agents from Mexico, with spies scattered throughout the country and then hurried up to San Francisco where he was busy before the agents of the Department of Justice picked him up again.

#### CONSPIRACIES ON LAND AND SEA

*One indictment* against the five defendants, phrased in legal terms, is vivid and forcible though barren of details. *It accuses the German representatives and their hirelings of plotting to blow up railway tunnels, railroads, railroad trains, and bridges, already mentioned.* Over this vast system of transportation, the indictment explains, there were being shipped supplies westward for transportation on the ships *Talthebius* and *Hazel Dollar*. The defendants, it is charged, hired Smith to help them gain information about the sailings and the cargoes of ships leaving Tacoma bound for Vladivostok; that after Smith went to Tacoma, Crowley sent him money. Crowley and Smith came to New York where they had conference with Germans who were in touch with von Papen. They next went to Detroit, where they

were working out plans for the blowing up of the tunnel when they were arrested. Smith, who was working on the shipping and the tunnel end of the scheme, confessed, while van Koolbergen also has made a statement to the authorities which is of great interest, showing the workings of the defendants.

"On different occasions in his room," says van Koolbergen, "von Brincken showed me maps and information about Canada, and pointed out to me where he wanted the act to be done. This was to be between Revelstoke and Vancouver on the Canadian Pacific Railway, and I was to get \$3,000 in case of a successful blowing up of a military train, or bridge, or tunnel.

"There are many tunnels and bridges there, and military trains pass every three or four days; he also knew when a cargo of dynamite would pass. He then explained to me how I could get hold of dynamite, and explained to me that on the other side of the river on which the Canadian Pacific ran (I believe it was the Fraser River) the Canadian Northern Railway was in course of construction, and they had at intervals powder and dynamite magazines and that it would be very easy to steal some of the dynamite."

Several ships were blown up on the Pacific; others were disabled under circumstances that suggested conspiracies. There were schemes also to destroy docks on the Pacific coast. In view of these plots, it is striking to observe in von

Papen's check stubs this entry: "May 11, 1915, German Consulate, Seattle (for Schulenberg) \$500." An explosion in Seattle Harbor occurred on May 30, 1915.

Another excerpt from the check stub is dated February 2d, 1915, recording the payment of \$1,300 to the Seattle, Washington, German Consulate marked "C. Angelegenheit," a very vague word for "affair." He also paid to A. Kalschmidt, of Detroit who is accused by the Canadian authorities of plotting to blow up armories and factories in Canada, \$1,000 on March 27, 1915, and \$1,976 on July 10, 1915.

While this enterprise was being mapped out in the West, a second project against the Welland Canal was in the making in New York. Paul Koenig, the intermediary between von Papen and reservists and others, had charge, it is alleged, of selecting assistants who would carry dynamite, fuses, and other equipment to the Canadian waterway. Koenig selected as his assistants Richard Emil Leyendecker, retailer of art woods, a naturalized German-American, Fred Metzler, Koenig's stenographer, George Fuchs, a German who after a quarrel with Koenig turned State's evidence; as also did Metzler, and one or two other men. The party went to Buffalo and to Niagara Falls, being trailed all the time by agents under direction by William M. Offley, chief of the Federal investigators of New York.

## EXPLOSIONS IN FACTORIES

While these plots in the West were developed in vain and some of the culprits have been convicted, still other enterprises were conceived and set in motion in the East. A great number of explosions and fires have occurred in factories in the eastern part of the country. Though many of them were due to natural causes, yet suspicions seem to show that bombs were manufactured and placed in various plants and that incendiary bombs were hidden in other factories. The men believed to have committed the crime have been traced. They invariably proved to be Germans who, under assumed names had obtained work in the factory; and then, shortly after the fire or explosion, they disappeared. But Federal agents following them learned that they had hurried back to Germany or skipped away to Mexico or South America. Bombs for their purposes were manufactured in various places in New York and Brooklyn; and in fact the authorities have obtained statements from men who made the bombs, but thus far they have not located the chief man. A German officer skilled in the manufacture of explosives spent a number of months in New York, living on board one of the German merchantmen and conferring frequently with Germans. He disappeared one day and was not heard of until a wireless message announced his arrival in Berlin.

Into this general scheme for preventing sup-

plies from going to the Allies fits the conspiracy of Robert Fay and his associates. Fay, a tall, military-looking man who has told many stories, some of which are true, some of which are lies, fought in the trenches for Germany and then obtained leave of absence and a passport to come to America. He had an inventive bent, and *he conceived the idea of manufacturing high explosive mines which could be attached to the rudder posts of ships, and which would be so regulated by a detonating device that explosions would occur far out at sea.* Fay says that he sought to blow off the rudder, disable the ship, but not to sink the vessel or injure her passengers.

His aim was to frighten steamship owners, and insurance underwriters so that the insurance on munition ships would be raised to an almost prohibitive rate. Experts, however, have testified that so great was the amount of high explosive in the mines that it would have blown off the stern of the ship, and detonated the cargo of explosives. In other words, had Fay's scheme worked, nothing of the cargo and ship would have remained but a few chips floating upon the waves. But through the vigilance of Chief Flynn, of the secret service, and Captain Tunney, of the bomb squad of the New York Police Department, Fay's plan was detected and John C. Knox, Assistant United States District Attorney, presented the evidence so thoroughly that Fay and his brother-in-law, Walter Scholz, and Paul Daeche, a German reservist, were found guilty.



They were sentenced respectively to eight, four and two years in the penitentiary. Fay admitted on the witness stand that he laid his plan before Captain von Papen and Captain Boy-Ed, that he had more than one conference with Captain von Papen; but he asserted that both men warned him not to undertake the scheme. It will be remembered that Fay escaped from the Atlanta Penitentiary within a short time after his sentence, and he is believed to be either in Mexico or back in the trenches. He undoubtedly secured aid from German sympathizers.

#### FIRE BOMBS

Another part of this vast conspiracy against the export of arms and ammunition was the scheme to manufacture the so-called fire bombs, which could be placed in the holds of ships and which, exploding after a certain time, would set fire to the cargoes. *By this means, thirty-three ships were stealthily attacked, with New York as a basis of operation, and damage of \$10,000,000 was done.* Vessels sailing not only from New York but from Boston, Galveston, and even from the Pacific ports, carried these bombs stowed away in their holds. Sugar ships especially were an object of attack, for sugar forms an ingredient of a certain explosive. These ships especially were adapted to this method, because once a fire started, the bomb itself would be destroyed, and as water had to be poured into the hold, the sugar would be destroyed.

Several bombs would be placed in the same hold, as has been shown by the fact that one fire was started in a vessel before she had left port. The fire was extinguished and more sugar loaded on the boat. Scarcely had the boat got out of port when another fire started. Among the ships attacked by bombs were *La Touraine*, of the French line, the *Minnehaha*, of the Atlantic Transport Line, the *Rochambeau*, the *Euterpe*, *Strathtay*, *Devon City*, *Lord Erne*, *Lord Ormonde*, *Tennyson* and many others.

The man accused of having charge of these bombs is a chemist, named Dr. Walter T. Scheele, formerly of Brooklyn, later of Hoboken, and still later a resident of some foreign country whither he fled. He developed—or it was suggested to him by German officers—a scheme for taking a small metal container divided into two parts. Into one part would be put sulphuric acid; into another part, chlorate of potash. The sulphuric acid eating through the partition between the two sections made of aluminum, would unite with the chlorate of potash, causing combustion. Thus started, a fire so intense would be created that the container made of lead would be destroyed, and the cargo would be set on fire. Dr. Scheele, it is charged, made hundreds of these bombs, and received a large amount of money from German sources. One story is that von Rintelen paid him \$10,000. Another story is that Wolf von Igel, von Papen's assistant, paid him money after von Papen left the country.

Still further, Captain Otto Wolpert, Pier Superintendent of the Atlas Line, is charged with having received some of these bombs. The metal containers were manufactured on board the steamship *Friedrich der Grosse*, tied up in the North German Lloyd pier in Hoboken. The chief engineer, Carl Schmidt, who spent part time in collecting money for a monument to commemorate the part Germans have taken in the present war, is said to have been directed by a German officer to turn over the work shop of the ship as a bomb factory. At any rate, Ernst Becker, chief electrician, who has turned State's evidence, and three assistant engineers have been arrested as co-conspirators in this ship plot. Dr. Scheele's assistant, Captain Charles von Kleist, also has been arrested. It was through information unwittingly supplied by him that Captain Tunney and Detective George Barnitz, assisted by extremely keen members of the bomb squad, unearthed the whole conspiracy.

Captain von Papen, as an organizer of a part of Germany's secret service in America, as the schemer who sought to control a monopoly in certain high explosives and as a director of military enterprises—has been revealed by the Federal authorities as an extremely able servant of the Kaiser. These activities, however, were only a part of the task assigned to him by the German General Staff. He had still other plans which will be set forth in the following chapter.

## CHAPTER III

### CAPTAIN VON PAPEN, BUYER OF PASSPORTS AND PROMOTER OF SEDITION

**T**HREE other phases of Captain von Papen's campaigns against the Allies upon American territory as a base of operations remain to be set forth. They are his supervision of a bureau for obtaining fraudulent passports for German reservists ordered home to fight for the Fatherland, the fomentation of insurrections in the colonies of the Allies and of war between Mexico and the United States.

#### PASSPORT FORGERIES

The passport bureau is a striking instance of Germany's disregard of the rights and laws in a neutral country. With the sending of Great Britain's ultimatum to Germany, the cable between Germany and the United States had been cut. The United States forbade the use of wireless for the transmission of messages in code to Germany, or the use of the cable for cipher dispatches to the warring countries. The Allies' war vessels began at once to search all passenger ships for German citizens, taking them off and

sending them to concentration camps. Meantime, von Papen, Boy-Ed and the other German officials realized the utmost necessity of transmitting to their respective home offices information concerning the developments in America. They knew also the vital necessity of sending back to Berlin, army and naval officers who had been selected and trained for special commissions in the event of war.

But they had been taught in their early days the value of fraudulent passports, and to these they turned at once. The Germans had at first no regular passport bureau for the aid of German reservists. Every German, left to his own resources, did the best he could under the circumstances. Carl A. Luederitz, German consul in Baltimore, has been indicted on a charge of conspiracy in connection with obtaining a fraudulent passport for Horst von der Goltz under the name of Bridgeman Taylor. The young German has confessed that with the aid of Herr Luederitz he applied for a passport, and on August 31, 1914, obtained one bearing the signature of William J. Bryan, then Secretary of State. To get that document von der Goltz took an oath that he was born in San Francisco.

But this method was rather loose, and upon Captain von Papen devolved the necessity of establishing a regular system. The military attaché, always resourceful and daring, selected

for the work Lieutenant Hans von Wedell. Von Wedell had been a newspaper reporter in New York, later a lawyer; but when he received orders from Captain von Papen, he gladly undertook the work in New York, bureaus being started in other cities. He opened an office in Bridge Street, New York, and began to send out emissaries to Germans in Hoboken, directing them to apply for passports. He sent others to the haunts of hoboos on the Bowery, to the cheap hotels, and other gathering places of the down-and-outs, offering ten, fifteen and twenty dollars to men who would apply for passports. He spent much time at the Deutscher Verein, at the Elks clubhouse, where he would meet his agents, give them instructions and receive passports. His bills were paid by Captain von Papen, as revealed by the attaché's checks and check stubs. These show that on November 24, 1914, von Papen paid him \$500; that on December 5, he gave him \$500 and then \$300, the latter being for journey money; that he paid von Wedell's bills at the Deutscher Verein, amounting in November, 1914, to \$38.05. Meantime, he was using Mrs. von Wedell as a courier, sending her with messages to Germany. On December 22, 1914, he paid Mrs. von Wedell, by his own account, \$800.

#### BUYING PASSPORTS WHOLESALE

The passports which von Wedell, and later on his successor Carl Ruroede, Sr., obtained, were

used for the benefit of German officers whom the General Staff had ordered back to Berlin. American passports, then Mexican, Swiss, Norwegian and the passports of South American countries, were seized eagerly by various reservists bound for the front. Stories were told in New York of Germans and Austrians, who had been captured by the Russians, sent to Siberia as prisoners of war, escaping therefrom, and making their way by caravan through China, embarking on vessels bound for America, arriving in New York and thence shipping for neutral countries. Among them was an Austrian officer, an expert observer in æroplane reconnaissance, who lost both his feet in Siberia, but who escaped to this country. He was ordered home because of his extreme value in reconnoitering. The British learned of him, however, and took him off a ship at Falmouth to spend the remainder of the war in a prison camp.

Captain von Papen used the passport bureau to obtain passports for spies whom he wished to send to England, France, Italy and Russia. Among these men were Kuepferle and von Breechow, both of whom were captured in England, having in their possession fraudulent passports. Kuepferle and von Breechow both confessed.

But so reckless was von Wedell's and Ruroede's work that the authorities soon discovered the practice. Two hangers-on at the Mills Hotel called upon the writer one day and

told him of von Wedell's practices, related how they had blackmailed him out of \$50, gave his private telephone numbers and set forth his haunts. As a result of this and other information, Albert G. Adams, the cleverest special agent of the Department of Justice, started out one day, got into the confidence of Ruroede and offered to get passports for him for \$50 each. Meantime, von Wedell had gone on a trip to Cuba, apparently on passport matters, and Adams, posing as a pro-German got into the inner ring of the passport-buyers. He was informed by Ruroede as to what was wanted.

#### CHANGING OFFICIAL STAMPS

Though in the early days of the war it had not been necessary for the applicant to give to the Federal authorities anything more than a general description of himself, the reports of German spies in the Allies' countries became so insistent that the Government directed that the document, bearing the United States seal, must have the picture of the person to whom it was issued. The Germans, however, were not worried. It was a simple matter to give a general description of a man's eyes, color of hair, age and so forth, that would fit the man who was actually to use the document and then forward the picture of the applicant, who, getting the passport, would sell it. Even though the official stamp was placed on the picture, the Germans were not dismayed.



Federal Agent Adams rushed into Ruroede's office one day with five passports which had been issued to him in a batch by Uncle Sam. Adams was scheming to get evidence through Ruroede against von Papen and did get admissions from Ruroede.

"I knew I could get these passports easily," boasted Ruroede. "Why, if Lieutenant Hans von Wedell had kept on here, he never could have done this. He always was getting into a muddle."

"But how can you use these passports with these pictures on them?" asked the agent, curiously.

"Oh, that's easy," answered Ruroede. "Come into the back room and I'll show you." The agent followed the German, who immediately soaked one of the passports with a damp cloth and with adhesive paste fastened a photograph of another man over the original upon which the imprint of the United States seal had been made.

"We wet the photograph," said Ruroede, "and then we affix the picture of the man who is to use it. The new photograph also is dampened, but when it is fastened to the passport, there still remains a sort of vacuum in spots between the new picture and the old, because of ridges made by the seal. Well, turn the passport upside down, place it on a soft ground made with a silk handkerchief, and then, taking a paper cutter with a dull point, just trace the letters on the seal. The result is that the new photograph looks exactly

as if it had been stamped by Uncle Sam. You can't tell the difference."

Through the work of Adams, four Germans, one of them an officer of the German reserves, were arrested on the Norwegian-American liner *Bergensfjord*, outward bound to Bergen, Norway. They had passports issued to them through Ruroede's bureau under the American names of Howard Paul Wright, Herbert S. Wilson, Peter Hansen and Stanley F. Martin. Their real names were Arthur Sachse, Pelham Heights, N. Y., who was returning to Germany to become a lieutenant in the German Army; Walter Miller, August R. Meyer, and Herman Wegener, who had come to New York from Chile, on their way to the Fatherland Ruroede pleaded guilty and was sentenced to three years in Atlanta, Ga., prison. The four Germans, pleading guilty, protested they had taken the passports out of patriotism and were fined \$200 each.

Von Wedell, himself, was a passenger on the steamer *Bergensfjord*, but when he was lined up with the other passengers, the Federal agents, who did not have a description of him, were deceived, and let the vessel proceed. He was taken off the ship by the British and placed in prison.

The arrest of Ruroede exposed the New York bureau, and made it necessary for the Germans to shift their base of operations; but it did not put an end to the fraudulent passport conspiracies, as will be shown. In the face of the exposures,

so daring were the German agents that they continued to commit fraud upon the United States, and to put in danger every honest American traveling in Europe with an American passport.

#### FOMENTING REVOLTS

Captain von Papen was a supervisor and a promoter of sedition. His headquarters in Wall Street were the center of lines running out to British and French colonies, where Germany planned at critical moments to start revolutions, if it would help her interests.

One of the enterprises which Captain von Papen, acting under orders from Berlin, supervised in the United States, was a revolt against British rule in India. Preparations for this insurrection had been in the making for years, and, in the course of all of them, German agents were working with the Hindus and also with the German-Irish in America, the latter organization being really headquarters for many Hindus traveling from Germany to England, then to United States, on their way back to India. There has been for years a sort of understanding between pro-German Irish and certain members of an American society interested in India. In this organization, prior to the war, were men who were plotting a revolution in India, who were in touch with German agents and who received German money.

Immediately after the outbreak of the war,

von Papen and his agents poured more money into Hindu pockets, and made arrangements to supply arms and ammunition to Hindus. For the promotion of this German-Hindu conspiracy, two other centers were established. One was fathered by Germans in San Francisco, and another was at Shanghai, China. Confessions by men, who were active in the enterprise, tell how Hindus in sympathy with the sedition plots conferred with certain German officials in Berlin, that they came to New York—this in the course of the war—where they met certain pro-German-Irishmen and were aided financially. From New York they journeyed to Chicago, where more money was handed to them, and then to San Francisco, where they had talks with Hindu revolutionists—whose openly avowed aim is in rousing the people of India to celebrate the year 1917, “the diamond jubilee of the mutiny of 1857,” by a general and universal rising against British rule in India.

#### HINDUS LAUNCH BOMB CAMPAIGN

Many Hindus, who were assembled in the West, also had an opportunity to study the fine art of explosive and bomb making at a bomb factory up in the state of Washington. On several occasions groups of Hindus equipped with money and carrying secretly arms with them sailed from San Francisco for the Philippines, planning thence to go to India. Furthermore,

ships were chartered by German agencies to carry arms and ammunition to India and Ceylon. The American schooner *Annie Larsen* and the ship *Maverick*, both owned by a man named Fred Jebsen, a German naval officer, were chartered on the Pacific coast to sail for India in June, 1915. The *Annie Larsen* was seized by the United States officials at Hoquiam, Washington, and on board was found a cargo of rifles and ammunition. The *Maverick*, however, got away also equipped with rifles and cartridges, carrying a number of Hindus. The good ship had a most eventful voyage, the sailors and the passengers suffering many hardships, and finally reached Batavia where she was seized by the Dutch authorities.

In the early stages of his plans, Captain von Papen had an opportunity to send a rather detailed report of events in India to the secret office in Berlin. The chance came through Captain Archibald, who was about to sail from this country, and Captain von Papen, accordingly, prepared in code a long message. This document, which has been translated, is illuminating. Here it is:

“Since October, 1914, there have been various local mutinies of Mohammedan native troops, one practically succeeding the other. From the last reports, it appears that the Hindu troops are going to join the mutineers.

“The Afghan army is ready to attack India. The army holds the position on one side of the

Utak River. The British army is reported to hold the other side of the said river. The three bridges connecting both sides have been blown up by the British.

"In the garrison located on the Kathiawar Peninsula, Indian mutineers stormed the arsenal. Railroad and wireless station have been destroyed. The Sikh troops have been removed from Beluchistan; only English, Mohammedans and Hindu troops remain there.

"The Twenty-third Cavalry Regiment at Lahore revolted; the police station and Town House were stormed. The Indian troops in Somaliland in Labakoran are trying to effect a junction with the Senussi. All Burmah is ready to revolt.

"In Calcutta, unrest is reported with street fighting; in Lahore, a bank was robbed; every week at least two Englishmen are killed; in the northwestern district many Englishmen killed, munitions and other material taken, railroads destroyed; a relief train was repulsed.

"Everywhere great unrest, in Benares a bank has been stormed.

"Revolts in Chitral very serious; barracks and Government buildings destroyed. The Hurler's Brigade, under General Sir E. Wood, has been ordered there. Deputy Commissioner of Lahore wounded by a bomb in the Anakali Bazaar.

"Mohammedan squadron of the cavalry regiment in Nowschera deserted over Chang, southwest Beshawar. Soldiers threw bombs against the family of the Maharajah of Mysore. One child and two servants killed, his wife mortally wounded.

"In Ceylon a state of war has been declared."

## THE REVOLT IN IRELAND

The extensive conspiracy on the part of Germany to start a revolt in Ireland has been thoroughly set forth in the public prints in connection with the arrest and trial of Sir Roger Casement as a rebel. Sir Roger worked openly among the Irish prisoners in Germany, traveling back and forward between Ireland and Germany by means of a German submarine. Nevertheless, a very large and important American phase of this whole revolution occupied von Papen's attention prior to his recall. German agents here were in touch with the Irishmen in America, who were actively co-operating with Patrick H. Pearse.

German funds were poured into Irish hands in America, the money being used for the purchase of arms and the printing of seditious papers and leaflets. More than \$100,000 was collected in America for Ireland between September, 1914, and April, 1915. Plans also were worked out with the aid of Germans in America to ship arms and supplies to the Irish rebels.

There also have been vague reports of dramatic schemes in America to arm the Arabs in northern Africa and start an uprising against British rule. There have been signs of dramatic plottings to stir up trouble in Afghanistan and in Egypt. It is a fact that various attempts have been made to ship rifles and cartridges from the United States to South America and then from South America to Africa. Some of these have proved

successful. In other cases, the shipments have been stopped.

#### FORCING WAR IN THE UNITED STATES

*Throughout all the crises arising between the United States and Germany over the submarine campaign, German agents constantly kept in view the possibility of a war between their country and this nation. They prepared for it.*

"Before I left New York," confesses von der Goltz, "I had some conversation with Captain von Papen about the war, and while speaking of the end of the war Captain von Papen said: '*Should things start to look bad for us, there will be something happen over here.*' In connection with other statements of his, he speculated on America joining Germany or on a possible uprising." The significance of that remark was shown two years and a half later when on January 31, 1917, three days before the break between the United States and Germany an order went forth from the German Embassy in Washington. Immediately the machinery of every German merchantman interned in American ports was wrecked. The damage was \$30,000,000.

Here again Captain von Papen's and Captain Boy-Ed's advice and orders were involved. *It devolved upon Captain von Papen not only to keep in thorough touch with the development of American military affairs, but also to study constantly the topography of the United States, the*



*plan of cities and their surroundings from a military viewpoint. Upon him fell the task of stationing German reservists in the various cities and towns where, in case of hostilities, they would be valuable to the German cause. German efficiency and foresight came to the front in connection with these plans. There was under consideration at one time when the crises between the United States and Germany were acute, military plans to start a reign of terror in America.*

First of all, Captain von Papen and Captain Boy-Ed supervised the purchase of ground near New York and Boston, which was to be used for the construction of concrete bases for big guns in the same manner in which the Germans prepared in Belgium, England and France prior to the war. There is absolute proof that German representatives spent money for this purpose, and that they caused to be built foundations that could be used for big guns for the purpose of making an attack upon New York City, for instance. But that was only a part of the scheme.

When von Papen and his colleague Boy-Ed were recalled, it was announced by the State Department that the reason was "improper activities in military and naval affairs." A brief summary of Captain von Papen's activities shows that he violated the courtesies extended to him as a diplomatic agent in secretly sending code messages by couriers; that he handed out money for fraudulent passports; that he plotted military en-

terprises against Canada; that he plotted with Ambassador Dumba to start strikes in American factories; that he plotted in connection with other criminal activities in this country, such as blowing up factories; that he was a promoter of seditious enterprises; and that he and his associates schemed to start war between the United States and Mexico.

When he set foot upon the gangplank of the steamship *Noordam*, homeward bound, he said: "I leave my post without any feeling of bitterness, because I know full well that when history is once written it will establish our clean record, despite all the misrepresentations spread broadcast." But at the moment he handed out that statement he was carrying under his arm a portfolio which was a veritable diary of his payments to law-breakers. Again he gave proof of his expression about "stupid Americans," because he thought he could make those "stupid Americans" believe him, and that he could sneak the proofs of his law-breaking past the British at Falmouth. Again the stupidity was on his side.

## CHAPTER IV

### VON IGEL AND KOENIG, TWO OF THE KAISER'S FAITHFUL WORKERS

**W**OLF VON IGEL, von Papen's man Friday and custodian of his secret documents, was hustling about his private office on the twenty-fifth floor of 60 Wall street on the morning of April 19, 1916. He was hurried. His full, grey eyes glistened with excitement and he curled his stubby moustache as he glanced upon heaps of papers carefully arranged on the long council table and on the floor. Then squaring his stocky shoulders, he turned again to the big safe, bearing the seal of the Imperial German Government, and swinging back the heavy doors, extracted another bundle of papers which he ranged among the other sheets with military precision.

"It's 11 o'clock and Koenig should be here now," he said in German to another employe of von Papen's who was with him. "These papers must be packed up at once."

He paused and then began a mental inventory of each stack of papers to make sure none was missing. All these documents—there were hun-

dreds of them and their weight, as revealed by a government agent, was seventy pounds—had belonged to von Papen. They revealed the inner workings of the German spy system in America and a great part of the world. They told many of the details. Those papers, connecting the German Government with violators of law in America, were a vast responsibility for any officer of von Igel's age. Naturally, the young man was keyed to a high pitch of excitement; for hitherto they had come from the safe only piece-meal, and to permit daylight to reach so many at one time was almost a little more than von Igel's nerve could stand.

Perhaps he had a presentiment. In fact, secret agencies had been at work to instill in him a feeling of uneasiness. Von Igel, stopping again and again to twirl his moustache, knew that von Papen and Captain Tauscher had been indicted on a charge of plotting to blow up Welland Canal. Word also had come to him that still more ominous events were portending and the idea—by stealthy prearrangement—had been given to him to ship all the documents to Washington, where they would be absolutely safe. Therefore von Igel was both busy with his packing and intensely perturbed.

"A man to see you, Herr von Igel," announced a stout German attendant. "He refuses to tell his business except that it is important."

Von Igel was gruffly directing his agent to

make the stranger specify his name and mission when the door was flung open. In dashed Joseph A. Baker, of the Department of Justice, in charge of Federal Agents Storck, Underhill, and Grgurevich.

"I have a warrant for your arrest!" shouted Baker, who had a warrant charging the German with complicity in the Welland Canal enterprise. Von Igel eyed the intruders for the fraction of a second. With one spring he reached the safe, and swinging the doors shut, was turning the combination when Baker leaped upon him bearing him to the floor. Then followed a battle of four Americans against two Germans, the attendant having been quieted by the flash of revolvers.

"This means war," yelled von Igel. "This is a part of the German Embassy and is German territory. You've no right here."

"You're under arrest," said Baker soothingly, as he pulled a revolver.

"You shoot and there'll be war," answered von Igel, while Storck and Underhill grappled with a third. "I'm connected with the Embassy and you can't arrest me." The first skirmish was not quickly ended; von Igel, realizing the importance of the documents entrusted to his care and straining every resource to outwit his captors, fought again and again, facing revolvers and braving fists to reach the telephone to call for the help of the German Ambassador and prevent the

officers from gathering up the documents. But he was unsuccessful. As the agents led him from the office, they met Koenig, von Igel's associate, and von Papen's agent in many enterprises just entering. Koenig, who was already facing three charges growing out of his activities, was rendered speechless by the sight of von Igel in custody and some of his documents in possession of the government.

The mass of documents—it makes no difference whether the Secretary of State, for reasons of State or of law, orders their return—not only set forth the secrets of Germany's activities in this country; but they also told what part von Igel and Koenig played in the invisible war in America. They show how both men were errand boys, carriers of cash and of messages for von Papen and Boy-Ed.

#### WHO WAS VON IGEL?

Concerning young von Igel there is much mystery. At the outbreak of the war, he was reported to be wandering around looking for a job, willing to work for any wages. Then von Papen picked him up, paying him a salary of \$238 a month. There is a rumor, too, that he is a grandson of Graf von Waldersee, one time Germany's Chief of Staff. That he is a man of importance is indicated by the manner in which he was trusted by von Papen, Boy-Ed, and Dr. Albert. When in an automobile ride from Cap-

tain Tauscher's home on Long Island with von Papen and Dr. Albert, he met with an injury, he was hurried secretly to a hospital. Every effort was made to hide his identity; but Dr. Albert and von Papen visited him frequently. Von Papen paid the hospital bills and charged them up to "War Intelligence."

Almost immediately upon beginning service under von Papen, he leased the offices in Wall street, putting down in the contract "advertising" as the purpose to which the rooms were to be devoted and never making any statement as to his connection with the German Embassy. He quickly gave von Papen every reason to trust him fully and won the respect of the reckless attaché. Though he did not begin work for von Papen until September, 1914, he had, it is charged, a hand in the first Welland Canal enterprise.

#### HANDLING MONEY FOR EVIL ENDS

Von Igel also handled money for von Papen. For instance, on March 27, 1915, the latter gave to his secretary a check payable to his order for \$1,000 and on the counterfoil of his check book he wrote "for A. Kaltschmidt, Detroit," who since has been accused by the Canadian authorities as an accomplice in the project against Canadian armories and munition factories. It was von Igel, furthermore, who cashed many checks for von Papen, the proceeds of which were to go to secret

agents starting on missions to the enemy's country. He carried confidential messages which von Papen would not put in writing. He handled the code books in compiling and deciphering messages. He carried orders to Koenig, conferring with him and directing him when to meet von Papen.

When von Papen was preparing to leave the country at the request of President Wilson, he began to turn over his documents to von Igel for safe keeping. He gave him instructions as to the custody of the papers and the cleaning up of work left undone. In his regard, he undoubtedly followed Dr. Albert's instructions put in a letter from San Francisco: "If you should leave New York before my return, we must try to come to some agreement about pending questions by writing. Please instruct Mr. Amanuensis Igel as precisely as possible. You will then receive in Germany the long-intended report of the expenses paid through my account on your behalf."

So von Igel, as a trusted clerk, took unto himself the duties of confidential man for von Papen and for other big Germans who began but were obliged to leave unfinished certain projects in this country. There were many lines of information and activities converging to von Papen, afterward to von Igel. After von Rintelen left this country part of his schemes were entrusted to von Igel, who saw men with whom von Rintelen



or his assistants had dealt. For instance, he has been indicted jointly with Dr. Scheele, Captain Gustave Steinberg, von Rintelen's aid, for complicity in a plan to ship articles abroad under fraudulent manifests and thus deceive the Allies. One of these schemes was to export lubricating oil much needed in Germany, to Sweden as fertilizer. Some of the payments for this purpose were made after von Rintelen sailed for home.

With von Papen gone and Koenig arrested, von Igel became a somewhat important person, taking upon himself the attaché's prestige and a lot of Koenig's work after the latter's arrest. Many, many checks were cashed by von Igel in the four months intervening between the attaché's departure and the former's arrest. He carried on von Papen's work in a miniature way, conferring with many secret agents, giving orders and preparing reports in code for despatching to Germany.

While von Igel, in point of family, education and confidential association with the big German agents in America, is an important link in the Teutonic spy chain, Paul Koenig, ("P. K."), is more striking because of his rough activities, his underground connections and his associations with law-breakers. He was a sort of business manager of Germany's secret service in the eastern part of America.

## "P. K."

"P. K.," as his hirelings called him, was a sort of boss, an unmerciful autocrat in the lower world, physically fearless, trusting no man and driving every man to work by the use of violent abusive language, boastful of his skill, physical prowess and his craft. In appearance, he gives this impression. A tall, broad-shouldered man, he has bony fingers and arms long and powerful reaching almost to his knees. His dark, sharp eyes dart suspiciously at you from beneath black, arching eyebrows, showing defiance and yet a certain caution. A truly typical person he is for the work for which he was selected and though perhaps a little too boastful, such supreme confidence undoubtedly is a necessary attribute of any man who would acquire any degree of success in such undertakings.

Koenig is another product of the Hamburg-American Steamship Line—the Kaiser's very own. Prior to the war he was superintendent of the company's police, having a half-score men under him and keeping tab on the pier workers or investigating complaints received by the management. He had grown to that task from similar training in the Atlas Service, a subsidiary corporation. He had spent years among 'longshoremen, bossing them and cursing them. He knew wharf rats, water-front crooks, and was thoroughly acquainted with their schemes — as

naturally such a man would be. He understood thoroughly how to handle men of the rough type.

When the war started and von Papen was searching for an assistant organizer, he found in Koenig's little police force a splendid nucleus of just what he needed. At his request the *Hamburg-American Line* quickly put Koenig at von Papen's disposal and straightway von Papen began to link up to Koenig's police a number of channels of information, to supply him with reservists for special assignments, to suggest to him how to spread out and instal spies in various places to gather important facts. Koenig accordingly became the business manager of a part of Germany's secret service, not only gathering information but acting as a link in the labyrinth system employed by von Papen in communicating with the reservist or agent selected to do certain work in behalf of the Fatherland.

How varied and steady was his work for von Papen is revealed by the latter's checks. Here are a few excerpts: "March 29, 1915, Paul Koenig (Secret Service bill) \$509.11; \* \* \* April 18, Paul Koenig (Secret Service bill) \$90.94; \* \* \* May 11, Paul Koenig (Secret Service) \$66.71; \* \* \* July 16, Paul Koenig (compensation for F. J. Busse) \$150; \* \* \* August 4, Paul Koenig (5 bills Secret Service) \$118.92," and so on. Remember also that von Papen only paid from his check account for a part of

Koenig's expenses, other German officials who employed him receiving a bill for the special work.

### KEEPING TAB ON SPIES

"P. K." also kept a most carefully prepared note book of his spies and of persons in New York, Boston and other cities who were useful in furnishing him information. In another book he kept a complete record of the assignments on which he sent his men, the purpose and the cost. In this book of names were several hundred persons—German reservists, German-Americans and Americans clerks, scientists and city and Federal employes—showing that his district was very large and that his range for picking facts and for supervising other pro-German propaganda was broad. For his own hirelings or reservists, over whom he domineered, he had specially worked out a system of numbers and initials to be used in communicating with them. These numbers were changed at regular intervals and a system of progression was devised by which the agent would know when his number changed. He also employed suitable aliases for his workers. These men likewise had codes for writing letters and for telephone communication and they knew that *on fixed days these codes changed.*

Always alert for a listening ear or a watchful eye—because playing the eavesdropper was his job—he looked for spies on himself. He be-

lieved that his telephone wire was tapped and that he was overheard when he spoke over the telephone. Accordingly, he instructed his men in various code words. For instance, if he told an agent to meet him at 5 o'clock at South Ferry that meant: "Meet me at 7 o'clock at Forty-second street and Broadway."

His wire was not tapped but P. K. kept the men who were spying on him exceeding busy and worried. He would receive a call on the telephone and would direct the man at the other end of the wire to meet him in fifteen minutes at Pabst's, Harlem. Now from Koenig's office in the Hamburg-American Building to 125th street, it is practically impossible to make the journey in a quarter of an hour; but his watchers learned that Pabst's Harlem, meant Borough Hall, Brooklyn. Just as he eluded espionage for days and months, this man, skilled in shadowing others and in doing the vanishing act whenever necessary, boasted that the Federal authorities or the police never would get him. "They did get Dr. Albert's portfolio," he said one day, "but they never will get mine for I won't carry one."

#### SHADOWS FOLLOWING SHADOWS

He sought likewise to elude Americans trailing him. He never went out in the daytime that he did not have one or two of his agents trailing him to see whether he was being shadowed. He used to turn a corner suddenly and stand still

so that a detective following came unexpectedly face to face with him and betrayed his identity. Koenig would laugh heartily and pass on. He loved to jibe the American authorities and oft-times he would dodge around a corner and then reappear to confront the detective with a merry jest and pass on. By that means he came to know many agents of the Department of Justice and many New York detectives. When he started out at night he used to have three of his own men follow him and by a prearranged system of signals inform him if any strangers were following him.

The task, consequently, of keeping watch of Koenig's movements was most difficult and required clever guessing and keen-headed work on the part of the New York police. So elusive did Koenig become that it was necessary for Captain Tunney to evolve a new system for shadowing Koenig and yet not betray to him the fact that he was under surveillance. One detective, accordingly, would be stationed several blocks away and would start out ahead of Koenig. The "front shadow" was kept informed by a series of signals whenever Koenig turned a corner so that the man in front might dart down the street beyond and by a series of manoeuvres again get ahead of him. If Koenig boarded a street car, the man ahead would hail the car several blocks beyond, thus avoiding any suspicion from Koenig. In other instances, detectives, guessing that he was about

to take a car would board it several blocks before it got abreast of Koenig. Because of his alertness, he kept Detectives Barnitz, Coy, Terra and Corell always on the edge; but they finally ran him down.

It was never possible to overhear any conversation between Koenig and any man to whom he was giving instructions. Koenig always made it a point to meet his agents—some of his workers he never permitted to meet him at all—in the open, in parks in broad daylight, in the Pennsylvania Station, or the Grand Central Station. There, as he talked to them, he could make sure that nobody was eavesdropping. In the open he met many a man for the first time, talked with him and then said:

“Be at Third avenue and Fifty-ninth street at 2:30 to-morrow afternoon beside a public telephone booth there. When the telephone rings, you answer it.”

The man would obey the request. Promptly at the minute named, the telephone rang and the man answered the telephone. A strange voice spoke to him and told him to do certain things, perhaps to be at a similar place on the following day and receive a message, or he would receive instructions as to what he should do and where he should go to meet another man, who would give him money and instructions as to what he should do. The voice at the other end of the wire was speaking from a public telephone booth and was

thus reasonably sure also that the wire was not tapped.

Koenig trusted no man. *He never sent an agent out on a job without detailing another man to follow that man and report back to him the movements of the agent and the person whom that man met.* He was severe with his men when they made their reports to him, and always insisted that they do exactly what he told them and never permitted them to use their own initiative. So stubborn was he in sticking to his own ideas that some of his men used to call him "the Westphalian, bull-headed Dutchman."

As to the outline of Koenig's activities, his book of spies, the great mass of information gained by trailing him, and by study of the documents seized in his office, show that *he had spies along the water front on every big steamship pier. He had eavesdroppers in hotels, telephone switchboards, among porters, window-cleaners, among bank clerks, corporation employes and in the Police Department.*

To Roger B. Wood, formerly assistant United States District-Attorney in New York, is due the credit for the unfolding of the intricate and varied schemes charged against Koenig. He studied the evidence for months as it was developed by Federal agents under Superintendent Offley of the New York office and Captain Tunney, and prepared for trial the cases against the German agent.

One of Koenig's spies was listed in his book as



"Special Agent A. S.," namely Otto F. Mottola, a detective in the warrant squad of the New York police force whom he paid for special work. The note book revealed Mottola as Antonio Marino, afterward changed to Antonio Salvatore. Evidence was produced at Mottola's trial at Police Headquarters that Koenig paid him for investigating a passenger who sailed on the *Bergensfjord*; that he often call up Mottola, asked questions and received answers which Koenig's stenographer took down in short-hand. In other words, Koenig sought to keep closely informed as to the developments at Police Headquarters, and to be advised, perhaps, of the inquiry being made by the police into the activities of the Germans. Mottola was dismissed from the force because of false statements made to his superiors when asked about Koenig.

#### STARTING TROUBLE IN CANADA

"P. K." also despatched men to Canada to gain information concerning the Canadian preparations for war, and facts that could be used by the Germans here in planning attacks upon munition factories, railroads and transportation facilities in the Dominion. An Irish employe of the *Atlas Line* has been arrested on a charge of planning with Koenig to start a "military enterprise" against the Dominion. The employe, named Justice, is accused of going to Quebec to ascertain the number of troops which were being transported

by the Dominion of Canada to ports in France and Great Britain; the names of the steamships on which said troops were being transported; the kind and quantity of supplies which were being shipped from the Dominion to France and Great Britain, and other information which would or might be of value to the German Government, and which would assist the military operations of the German Government.

*The complaint charges that the undertaking was one of hazard, and came within the purview of the statute forbidding the undertaking of any military venture with this country as a basis of operation.* It says further that Justice and Metzler, Koenig's secretary, left New York on September 15, 1914, and went to Quebec; that Koenig left New York on September 18 and met Metzler in Portland, Me., and that he went to Burlington, Vt., where on September 25 he conferred with Justice. The authorities also say that Metzler and Justice gained a varied assortment of information in Quebec; that they inspected the fortifications there, went to the training camps, observed the number of men, the condition of the men and estimated the time when they would be sent to the front.

#### VARIOUS ALIASES

In his meetings with various persons who had been picked for some daring enterprise, Koenig is accused of having employed various names.

The Federal authorities give him at least thirteen, among which are Wegenkamp, Wegener, Kelly, Winter, Perkins, Stemler, Rectorberg, Boehm, Kennedy, James, Smith, Murphy and W. T. Munday.

After indictments had been returned against some of the Hamburg-American officials for conspiring to defraud the United States of legal clearance papers, Koenig, assisted by a private detective in the pay of Captain Boy-Ed, developed a scheme to get affidavits from tugboat captains to the effect that they had supplied English war vessels patrolling off Sandy Hook with provisions.

*The plan was to turn sentiment against the British by proving that the British were doing the same thing that had been charged to the Germans.* Accordingly, Koenig called a number of tugboat captains to a room in the Great Eastern Hotel, New York, and offered them a contract to haul provisions to the English cruisers. He told them that the captains were extremely suspicious of boats approaching the war vessels, and the affidavits were necessary to allay their fears that the tugboats might have a few Germans with bombs on board. So, in return for sworn statements from them to the effect that they already had been carrying supplies out to other English cruisers, he, Koenig, was to give them a monthly contract to do the work. Many of the tugboat captains signed the affidavits; but the scheme was

exposed before the Germans really made any use of the documents. So carefully did Koenig work that he made the stenographers who took the statements transcribe the notes in his presence, give him the shorthand notes and he immediately destroyed them.

#### SPIES IN BANKS

Through the arrest of Koenig and the facts obtained thereby, one of the mysteries concerning the Germans' method of getting information about the shipment of munitions of war to the Allies was cleared. *They knew the number of the freight car rushing to the Atlantic seaboard and its exact contents.* They knew the ship's hold into which that product was to be placed; but how they got this data was a mystery until Koenig was caught. Then Metzler, Koenig's secretary, made a confession that cleared the mystery. Agent Adams got the confession.

Besides having spies in some of the factories throughout the country, the Germans had one great fountain of information in the foreign department of the National City Bank, an institution that has carried hundreds of millions of dollars in financing the purchase of supplies for the Entente Powers. That source was Frederick Schleindl, a German who has since been convicted of selling stolen information and sentenced to three years in a New York State prison.

Schleindl, only 28 years old, came to this coun-

try from Germany several years ago, obtained work with a private banking firm, and after the war started was shifted to the National City Bank. He had influence to get the position, and, incidentally, it may be said, that for years prior to the war German agents, trained financiers, have been stationed in New York, making friends and learning conditions, so that at the critical time they could, by underground means, succeed in getting positions for such men as Schleindl who would betray their trust.

#### SECRET INFORMATION ON BANKS

When the war started Schleindl registered with the German Consul, giving his address and his place of business. One day word reached him that a German wished to see him, and going to the Hotel Manhattan he was approached by a man who introduced himself as Koenig. The latter sounded him thoroughly as to his sentiments on the war, and then outlined the scheme by which Schleindl was to help Germany and make \$25 a week. Schleindl was to keep his eyes open for all letters and cable messages bearing on the deposits of the Allies with the bank, the payments of orders and other facts bearing on the war.

The bank clerk succumbed, either through patriotism or love of money. And Koenig had placed his finger on exactly the right spot; so accurate was he that there seems no doubt that

he received guidance from a master spy higher up, who knew banking operations thoroughly, and where to go for information. It quickly developed that Schleindl could obtain information of two very important kinds.

First, he received in his department cable messages bearing on war orders and deposits by the Allies. The day he was arrested he had in his pocket certain messages and letters addressed to the National City Bank. One had come from the Banque Belge Pour Etrangers in regard to a shipment of 2,000,000 rifles that was being handled through the Hudson Trust Company. Another message that he picked up and handed over to Koenig had come from the Russian Government, directing the bank to place at the disposal of Colonel Golejewski, a Russian naval attaché, a large amount of money for the purchase of war materials.

Secondly, the bank paid for orders of goods as soon as they had been inspected and delivered on board ships at the seaboard. The manufacturers sent their bills of lading to the bank, showing the carload shipments and the vessel to which they were consigned. *Thus accurate information was obtained as to every item, the railroad route of shipment and the name of the vessel.* All this information was turned over to Koenig, who passed it along for dissemination to the proper persons. Consequently, *the Germans knew exactly what ships to attack; in what*

vessels to place their fire bombs or other explosives.

Schleindl was accustomed to meet Koenig almost every night and hand him papers. Sometimes he would go to Koenig's office, where "P. K.," Metzler and Schleindl would spend many hours copying the documents. Other times Schleindl would give the papers to Koenig and receive them on his way to work, so that they would be in their proper place the moment any bank official desired them. *Koenig pleaded guilty in the Court of Special Sessions to an information charging him with having corrupted the boy to sell such information. Koenig was set free on a suspended sentence.*

The National City Bank leak is only one of a hundred channels through which Koenig and his agents received information. Koenig compiled it with the aid of his secretary, conferred with von Papen or Boy-Ed. He would spend a few weeks gathering facts, and then he would pack hundreds of papers into a trunk and run down to Washington. Arriving there he would take a taxi to a rooming house, where he would unpack his trunk, and put the contents into another trunk in an adjoining room.

As weeks went by and Koenig believed he was escaping police and Federal espionage, he grew bolder, more defiant of the authorities, and louder in his talk. He treated his employes with less consideration. He always followed a principle

of never hiring the same reservist for a second job. Then he quarreled with George Fuchs, a relative whom he had employed to go to Buffalo with him. The police heard of that quarrel, and quickly got into the confidence of Fuchs, obtained his confession, and enough information on which to arrest Koenig. He has been indicted by the Federal authorities twice on charges that may net him six years, if convicted.

The two men were active workers for a time. Koenig continues in New York but von Igel sailed with Count Bernstorff when the latter was dismissed from this country.



## CHAPTER V

### CAPTAIN KARL BOY-ED, THE EMPEROR'S SOCIAL DANDY -AND VON TIRPITZ'S TOOL

**I**N the days before the Kaiser booted his spur through the treaties of Europe, you could observe, almost any afternoon, a faultlessly attired man—well built, his big, round head resting firmly on a powerful neck—sauntering down Connecticut Avenue, the Rotten Row or Fifth Avenue of Washington. Jauntily swinging his cane and puffing at his inevitable cigarette, he would bow gracefully in greeting the members of the capitol's smart set. He could be seen later at tea at the Chevy Chase Club, then among government officials and diplomats at the Metropolitan Club, or a guest at the Army and Navy Club. He was much desired at the most brilliant functions in New York in the winter, or at the resorts where, in the summer, the wealthiest and most exclusive Manhattanites gathered. One always found him graceful, suave, clever at repartee, effervescing natural humor—the object of admiration on the part of matchmaking mothers, and the reported seeker after an American heiress—but always mingling with the persons in official, diplomatic

and navy circles who knew the innermost government secrets.

He was Germany's Beau Brummel, Captain Karl Boy-Ed, the Kaiser's naval attaché, seemingly more interested in the frills, foibles and gayeties of society than in the supremacy of the German Navy. Very much like an American in appearance, Oriental in his sense of luxury, and possessing the French quality of subtlety in rapid-fire wit, he lacked apparently every vestige of the much vaunted Teutonic efficiency. He would occasionally, however, drop out of the scenes of beauty and charm, traveling about the country, visiting warships, tramping over coast country, scrutinizing fortifications, or places where Uncle Sam would have coast defences until finally it began to be whispered that Captain Boy-Ed knew as much about the American Navy and coast forts as did the naval officers themselves. Under the veneer of lightness and graceful ease, the naval attaché hid with the craft to which that Turkish part of his ancestry made him heir, the persistent methodical thoroughness of his German ancestry.

And, when the Kaiser set the dogs of war loose, Boy-Ed shunted aside the cloak of frivolity, disappeared almost entirely from festive gatherings, settled down by day to room 801, No. 11 Broadway, New York, receiving code messages as "Nordmann," and by night to his suite in the German Club, where he delved into records, con-

ferred with associates and elaborated plans for activities on the seven seas. From a hale, jolly fellow he became—as if by the shift of the magic wand of a Turkish sorcerer—a veritable machine, mind and body, working for the Kaiser. A man of great brain power, erudite, fertile in schemes, for long an aid to Admiral von Tirpitz, he assumed charge in America of all enterprises dealing with the naval phases of the Teutonic warfare in this country and in or near American waters. These were activities which, despite his boast: “They haven’t got any evidence against B. E.,” caused his dismissal from America by President Wilson.

#### BOY-ED’S CAREER

Born of a Turkish father and German mother—the latter, Ida Boy-Ed, a novelist much loved in Germany—he possessed an unusual combination of traits, a mingling of Oriental subtlety, the brutal frankness of the Prussian, and the artistic genius of his mother. He elected for the navy, and early displayed qualities that attracted von Tirpitz’s attention. The admiral took him up and made him one of his “Big Six,” young German officers who were admitted to the naval lord’s most secret councils and trained for just such executive work and such emergencies as the great war produced. Having both a literary and constructive ability, in addition to unusual qualities as a tactician and naval officer, he was selected by

Grand Admiral von Tirpitz as his chief lieutenant, and was made the head of the news division. As such, he had charge of propaganda enlightening the German people and arousing a demand for a bigger navy. He prepared articles for the newspapers and compiled pamphlets arguing for many battleships, in all of which he cleverly instilled a distrust of England. Prior to each appropriation for an increase in the German fleet, Boy-Ed carried on a press campaign designed to educate the public as to the urgent necessity for more dreadnoughts and submarines. By this means, an appropriation equal to a hundred million dollars was obtained in 1910.

For five years, prior to his arrival in Washington in 1911 as the Kaiser's naval representative, he served under von Tirpitz, making trips around the world, observing and working out the details of Germany's plans for breaking Great Britain's sea power. Because of the work which he performed, the unusual ability which he displayed, and because Germany was seeking to surpass the naval power of the United States, then the second only to Great Britain, he was sent to this country. When he arrived here, he impressed Americans by his knowledge of America and American ideas. With ample tact and keen insight into American customs, he began immediately to make himself almost an American. Speaking English fluently and possessing an un-

usually attractive personality, he made himself extremely popular.

#### NAVAL STUDENT IN TIMES OF PEACE

His duties in peace times, naturally, were to study the American Navy and gain whatever facts he could about American war vessels, the personnel of the navy, the government's plans for increasing the fleet's power and building up coast defenses; also to pick up whatever he could, openly or stealthily, about the secret plans of America in the use of her battle-fleet. When the war started, a thousand and one more tasks devolved upon him. As von Papen was in Mexico, he had for a time to look after the military attaché's secret service, and, after being relieved of that, he devoted himself to the manifold details peculiar to naval intelligence. Like von Papen, he, too, had a staff of experts. They began, under his direction, delving into every phase of American naval activities, seeking information about the naval plans of the Allies, striving to exert their influence to prevent the shipment of arms and ammunition from this country. Boy-Ed's work lay also in supervising the registration of naval reservists with the German consuls, providing for the return of as many as possible of them to the Fatherland, assigning spies to the country's enemies, and collecting all naval information bearing upon the war.

## WATCHING BRITISH VESSELS

Seated in his room 801, Captain Boy-Ed gathered a great mass of facts of value to Germany from enemy sources and from neutral nations. From his room, which was stacked with maps of the sea and steamer routes, he sent directions to his spies. He forwarded information about ships—English merchantmen and British warships—that could be utilized by the German Government in raids on Allied commerce. He also gave directions for provisioning the German raiders scouring the Seven Seas for enemy ships—an enterprise just as romantic—though in violation of American laws—as the spectacular dashes of the *Karlsruhe*, *Emden* and the *Prince Eitel Friedrich*.

Here was a project in which before the war and in preparation for it, the German Admiralty and the *Hamburg-American Steamship Company* participated; and after hostilities began, it was simply necessary for the captain through his staff of assistants or in person to issue orders. The Atlantic phase of the enterprise, its financing, its spectacular features and its illegality were presented to a Federal court in New York by Roger B. Wood, the Assistant United States Attorney, at the trial and conviction of several *Hamburg-American Line* officials; Dr. Karl Buenz, its general representative in America; George Koetter, supervising engineer; Adolf Hachmeister, purchasing agent; Joseph Poeppinghaus, second

officer and supercargo; on the charge of conspiring to obtain from the collectors of the ports false clearances for ships in connection with the coaling and provisioning of raiders. The Pacific phase of the scheme has been unearthed by United States District Attorney Preston in San Francisco.

#### SMUGGLING SUPPLIES TO RAIDERS

Two years before Germany sent a declaration of war to England, and just when a crisis in European affairs was impending, Dr. Karl Buenz, who never before had engaged in steamship business, came to New York as the American head of the *Hamburg-American Line*. Prior to that he had been a judge in Germany, a consul in Chicago and New York, and a minister to Mexico. One of the first things which came to his attention was the completion of a contract between the Admiralty Division of the German Government and the steamship company for the provisioning, during war, of German warships at sea from America as a base. Arrangement also was made for communication between these ships and the company by the Admiralty's code. The documents dealing with this agreement were kept locked up in the German Embassy in Washington, and the *Hamburg-American* officials declined to produce them at the trial, "because in that agreement," Prosecutor Wood asserted, "I venture to say the whole plan whereby false clear-

ances should be obtained is worked out in detail."

When Germany stood on the brink of war and England stood ready to pen her in by a blockade, the Admiralty Division sent its orders to make ready to provision the raiders. Dr. Buenz himself on July 31, 1914—before the war—received a cable which he read, and then at once sent to the German Embassy for safe-keeping. Straightway Boy-Ed was in and out of Dr. Buenz's office, giving directions as to the war-ships needing supplies and whither the provision ships should proceed by routes outside the regular freight lines. He kept urging upon Dr. Buenz the necessity of haste, and even before the German Government advanced the cash, the ships were chartered—others purchased—under bonds that guaranteed payment to the owners in the event of seizure. Twelve or more ships in all set forth from Atlantic ports, carrying coal and food supplies bought with Hamburg-American cash.

The steamship *Berwind*, which had been chartered and loaded in a hurry, was the first to sail. When some of the conspirators met in Dr. Buenz's office, there was hesitancy as to who should apply for clearance papers—documents of which Dr. Buenz testified he knew nothing. They finally told G. B. Kulenkampf, a banker and exporter, that the *Berwind* was loaded with coal—she had coal and provisions—and told him



to get the clearance papers. He did so, swearing to a false manifest, as he afterward admitted. In getting such clearance papers, Germany's agents aimed to prevent the Allies from learning about the supply ships. Germany desired, naturally, to carry on this work secretly in order to deceive her enemies and prevent her adversaries from knowing where the German cruisers were.

Such a ruse may be a legitimate trick in war, but the German Government or her agents had no right to use the American Government in such an enterprise. So men employed by the *Hamburg-American Line* went to the collector of the ports from which these ships sailed, making affidavits as to the cargo—generally false—and the destination for which they sailed—also false. On board these ships—the *Berwind* and the *Lorenzo*, sailing from New York presumably for Buenos Aires on August 5 and 6, 1914, respectively; the *Thor* from Newport News for Fray Bentos, Uruguay; the *Heina* from Philadelphia in August, for La Guayra; the *Mowinckle*, *Nepos* and others—the officials put supercargoes bearing secret instructions. These men had authority to give sailing orders to the captains once they were outside the three-mile limit. They knew that the ships were not bound for the ports designated, but to lonely spots on the high seas, where they would lie in wait for the arrival of the German cruisers whose captains, would receive the "tip" by wireless.

## RISKY WORK FOR SKIPPERS

Very few of the supercargoes, however, accomplished their aims. The *Berwind* reached a point near Trinidad where Supercargo Poeppinghaus directed the ship to lie to. Presently five German ships, the *Cap Trafalgar*, *Pontus*, *Elinor Woerman*, *Santa Lucia* and *Eber* appeared, and after the task of transferring the supplies to them was begun, the British converted cruiser *Carmania* came up. A brisk fight ensued between the *Carmania* and the *Cap Trafalgar*, lasting for two hours, and ending when the German ship sank.

One representative of the *Hamburg-American Line* sought to use bribery to effect his purpose. One of the ships chartered was the *Unita*, in charge of Eno Olsen, a Canadian citizen of Norwegian birth. The German supercargo made a mistake in thinking that Olsen was friendly to Germany. When, however, the supercargo explained to him after they had got out to sea, what the purpose of the cruise was, Captain Olsen balked.

"‘Nothing doing,’ I told the supercargo," Captain Olsen testified, with a Norwegian twist to his pronunciation. "So the supercargo offered me \$500 to change my course. ‘Nothing doing—nothing doing for a million dollars,’ I told him.

"The third day out he offered me \$10,000. ‘Nothing doing.’ So," concluded Captain Olsen with finality, "I showed him my citizenship

paper. I said the *Unita* cleared for Cadiz; and to Cadiz she goes. After we got there I sold the cargo and looked up the British Consul."

The provisions for each ship were ordered under directions from the *Hamburg-American* officials who eventually provided the money. The *Hamburg-American Company* received three payments of \$500,000 each from the Deutsche Bank in Berlin. In addition, \$750,000 was sent to Boy-Ed by exchange through Kulenkampf's firm, Wessels, Kulenkampf & Company, from the Deutsche Bank, making \$2,225,000 in all. Telling of the receipt of the money, Kulenkampf testified:

"Some time after that, Captain Boy-Ed came to me and asked if I had received money from Berlin. I said, 'Yes,' and he told me that it was for him. I asked him to obtain instructions, and a little later I was telephoned to hold the money at the disposal of Boy-Ed. I followed the instructions of Captain Boy-Ed. He instructed me at different times to pay over certain amounts, either to banks or to firms. I transferred \$350,000 to the Nevada National Bank in San Francisco, \$150,000 to the *North German Lloyd*, \$63,000 to the *North German Lloyd*. That left a balance of approximately \$160,000 which was placed to the credit of the Deutsche Bank with Gontard & Company, successors of my former firm. That amount was reduced to about \$57,000 by payments drawn by Captain Boy-Ed's request

to the order of the *Hamburg-American Steamship Company.*"

### MONEY SPENT FREELY

How part of the money was spent is shown by the following account of payments through the *Hamburg-American Line*:

Steamer	Total Payment
Thor .....	\$113,879.72
Berwind .....	73,221.85
Lorenzo .....	430,182.59
Heina .....	288,142.06
Nepos .....	119,037.60
Mowinckel .....	113,867.18
Unita .....	67,766.44
Sommerstad .....	45,826.75
Fram .....	55,053.23
Graecia .....	29,143.59
Macedonia .....	39,139.98
Navarra .....	44,133.50
Total .....	<hr/> \$1,419,394.49

But Boy-Ed's supervision of supplies to the raiders covered both the Atlantic and the Pacific oceans. While the *Hamburg-American* took charge of handling the supplies in the North and South Atlantic, another German agency is accused of doing similar work on the Pacific. That accounts for Boy-Ed's transfer of money to the West, where his cash also was used in the purchase of at least one ship. Boy-Ed's funds, amounting to more than \$600,000 have been traced to the Pacific. In following these payments it is important to observe how differently and more cleverly Boy-Ed handled his money than von Papen. Unlike the military attaché,

he paid out little money by personal check; but he had accounts with various commercial firms to whom he gave orders for payments. Working with the ingenuity of an adept in covering up his tracks, he caused money in large amounts to be shifted from one bank to another, from one firm to another, through various cities until after myriad devious turnings and twisting it finally reached its destination. He used various commercial concerns as his bankers.

Out on the Pacific Coast, Boy-Ed employed members of the German consulate to distribute the money and supervise provisioning. Two indictments returned against Germans and others in San Francisco charge that an effort was made to employ that port as a "naval base" for provisioning the German raiders; that false manifests were filed for the succoring of merchantmen; that supplies were transferred to the German raiders. More than \$150,000, it is specifically charged, was paid out for this purpose by the German consulate.

The outfitting of the steamships *Sacramento*, *Olsen* and *Mahoney*, *Mazatlan* and the bark *Retriever* are said to be charged to the defendants. One device employed in San Francisco Bay to outwit the Government officers watching for violations of the neutrality laws was to fill the *Retriever* with coal, and then announce that the vessel would be used for an expedition on the high seas to take movie pictures of a stirring sea

drama. But the officials were not hoodwinked. The steamer *Sacramento*, formerly the German-owned *Alexandria*, which, after the war started, was bought by the *Northern and Southern Steamship Company* and which flew the American flag, left port piled high with supplies of all sorts, including sauerkraut and beer, and reached Valparaiso, Chile, empty. All her supplies were transferred to German cruisers and a German supply ship at Masefuero Island, near the Chilean coast.

Captain Fred Jebsen, a lieutenant in the German naval reserve, took a cargo of coal south on his boat, the *Mazatlan*, for delivery at Guaymas, Sonora, Mexico. He transferred it to lighters, which carried it to the German cruiser *Leipzig*. Jebsen also is said to have planned to pilot a ship to India, and being frustrated, made his way in disguise to Germany, where he is reported to have been drowned by the sinking of a submarine. The *Olson and Mahony*, a steam schooner, was loaded with supplies, but after considerable controversy with customs officials was unloaded. In the early days of the war, the cruisers *Leipzig* and *Nürnberg* lay off San Francisco. The *Leipzig* put to port for supplies which were granted in quantities permissible under international law. Efforts to supply still further quantities are alleged by the Government.

One of the picturesque incidents of the provisioning, which reveals how minutely Captain

Boy-Ed looked after finances and sets forth other phases of his work on the high seas, as directed from No. 11 Broadway, is revealed in the piratical cruise of the good ship *Gladstone*, rechristened under German auspices *Marina Quezada*. Her owner, when she bobbed into the view of Captain Boy-Ed, was a Norwegian syndicate; but what money was behind that group it has not been possible to learn. Under the name of *Gladstone*, the ship had plied between Canada and Australia; but shortly after the outbreak of the war she put into Newport News. Then Captain Hans Suhren, a sturdy German formerly of the Pacific coast, appeared in New York, called upon Captain Boy-Ed, who took most kindly interest in him, and then departed for Newport News. Here he assumed charge of the *Gladstone*.

"I paid \$280,000 in cash for her," he told First Officer Bentzen. After making arrangements for his crew, he flitted back to New York, where he received messages in care of "Nordmann, Room 801, 11 Broadway, N. Y. C." Meantime, in consultation with Captain Boy-Ed, the captain received instructions to erect a wireless plant on his ship—the equipment having already been shipped to the *Marina Quezada*—and to hire a wireless operator. Boy-Ed handed Suhren a German naval code book, gave him a map with routes marked out and sailing instructions that would take him to the South Seas, there to await German cruisers. Food supplies, ordered for a

steamer which had been unable to sail, were waiting on the piers at Newport News and Captain Boy-Ed ordered them put on the *Marina Quezada*. Two cases of revolvers also were sent to the boat. In a like manner, it may be observed, ships on the Pacific had been equipped secretly with arms and wireless.

Again Suhren went back to his boat, kept the wireless operators busy, hurried the loading of the cargo, which was under the supervision of an employee of the *North German Lloyd*, and needing more money before sailing in December, 1914, he drew a draft for \$1,000 on the *Hamburg-American Line*, wiring Hachmeister, the purchasing agent, to communicate with "Room 801, 11 Broadway," the office of our friend Boy-Ed.

Prior to his departure, the skipper had difficulty with the registration of his ship. Though he insisted he owned her, a corporation in New York whose stockholders were Costa Ricans were laying claim to ownership, for they really christened her, and got provisional registration for her from the Costa Rican minister in Washington. It was necessary, however, in order for the ship to get permanent registration, to go to Port Limon, Costa Rica, and register there. So hauling down the Norwegian flag, that had fluttered over the ship as the *Gladstone*, Captain Suhren ran up the Costa Rican emblem. Then, having loaded his ship and having obtained false clearance papers stating his destination as Valparaiso,



based upon a false manifest, sailed for Port Limon. But the Costa Rican authorities declined to give Suhren permanent papers, and, accordingly, being without authority to fly any flag and in such status not permitted under international law to leave port, Suhren was in a plight. He waited, however, until a heavy storm came up one night, then quietly slipping his anchor, he sped out into the high seas, a veritable pirate. Finally, as he neared Pernambuco, he ran up the Norwegian flag, put into port and got into such difficulties with the authorities that his ship was interned. His supplies never reached the raiders, and Boy-Ed, at No. 11 Broadway, learned from Suhren of another fiasco. Suhren is supposed to have been taken prisoner to Canada.

Had the *Hamburg-American* officials carried out their part of the enterprise by means of the false clearance papers—and the same applies to Boy-Ed—a guest of the nation—to others engaged in the project—they would have put the American Government in the position of officially endorsing their work of deceit and stealth. “Is it a nice thing,” asked Prosecutor Wood, “to have this Government endorse the lies of these defendants?”

Boy-Ed, furthermore, violated the clause of *The Hague conference of 1907 which says: “Belligerents are forbidden to use neutral ports and waters as a base of naval operation against their adversaries.”*

## QUEER WIRELESS CODES

Another operation that appealed to Captain Boy-Ed's ingenuity was the use of the wireless to frustrate the enemy. He had given implicit instructions to Skipper Suhren in regard to the use of the wireless. Members of the crew of the *Sacramento* are accused of breaking the Government seal and using the radio plant. The Government officials also found such extended misuse of the German-owned wireless plants in America that they were obliged either to close them down or take them over. The Sayville, Long Island, plant, finally was taken over and operated by the government.

## CUTTING IN ON MESSAGES

But Boy-Ed delighted in circumventing the Federal authorities. A few instances have been published but there remain hundreds of cases which the Federal radio inspectors have uncovered. To Chief Flynn of the Secret Service and Charles E. Apgar, an inventor, much credit is due for detecting one ingenious method used by Boy-Ed and others for sending out wireless messages. Apgar, an enthusiastic wireless operator, spent much time "listening in" to the messages sent every night from the wireless plants at Sayville, Long Island, to Germany. Finally he hit upon the scheme of recording the splash and splutter of the radio in a phonograph. After perfecting his device he began to "can" the Berlin

messages — coming and going — every night. Then reeling off these messages on his phonograph, he would study again and again the dots and dashes of each word. He observed that messages had been repeated by the Sayville operator, that numbers were thrown in at intervals and finally that between words there were gaps of varying lengths—all means undoubtedly of sending messages in code—a new language of science invented by the Germans. Many messages were sent by Boy-Ed, himself. It was after a thorough study of these canned messages that the government began to operate the Sayville plant.

#### FRAUDULENT PASSPORTS

Like von Papen, Boy-Ed was under orders to send spies to the adversaries' countries, to make arrangements for naval reservists to return to Germany, all of which required the use of fraudulent passports. While there have been charges that Germany had a factory for forging passports and while the *New York World* charged, at the time of Boy-Ed's recall, that he had dealings with a gang of forgers and counterfeiters, who made passports, there is evidence that the naval attaché did pay money to German reservists, who procured passports fraudulently. One of these men was Richard Peter Stegler, a Prussian, 33 years old, who had served in the German Navy and afterward came to this country to

start on his life work. Before the war, he had applied for his first citizenship papers; but his name had not been removed from the German naval reserve list.

"After the war started," says Stegler, a well-dressed young man with rather stern features, "I received orders to return home. I was told that everything was in readiness for me. I was assigned to the naval station at Cuxhaven. My uniform, my cap, my boots and my locker were all set aside for me, and I was told just where to go and what to do. But I could not get back at that time and I kept on with my work."

Stegler then became a member of the German secret service in New York. "There is not a ship that leaves the harbor, not a cargo that is loaded or unloaded, but that some member of this secret organization watches and reports every detail," he said afterward. "All this information is transmitted in code to the German Government." In January, 1915, if not earlier, Stegler was sent to Boy-Ed's office, and there he received instructions to get a passport and make arrangements to go to England as a spy. Boy-Ed paid him \$178, which he admits, but denies that it was to buy a passport. Stegler immediately got in touch with Gustave Cook and Richard Madden, of Hoboken, and made use of Madden's birth certificate and citizenship in obtaining a passport from the American Government. Stegler has pleaded guilty to the charge and the two men

were convicted of conspiracy in connection with the project. Stegler paid \$100 for the document. Stegler, Cook and Madden each served a term on Blackwell's Island.

"I was told to make the voyage to England on the *Lusitania*," continued Stegler. "My instructions were as follows: 'Stop at Liverpool, examine the Mersey River, obtain the names, exact locations and all possible information concerning warships around Liverpool, ascertain the amount of munitions of war being unloaded on the Liverpool docks from the United States, ascertain their ultimate destination, and obtain a detailed list of all the maritime ships in the harbor.

#### NEW YORK, THE CENTRE FOR SPIES

"I was to make constant, though guarded inquiries, of the location of the dreadnought squadron which the Germans in New York understand was anchored somewhere near St. George's Channel. I was to appear as an American citizen soliciting trade. Captain Boy-Ed advised me to get letters of introduction to business firms. He made arrangements so that I received such letters and in one letter were enclosed some rare stamps which were to be a proof to certain persons in England that I was working for the Germans.

"After having studied Liverpool, I was to go to London and make an investigation of the Thames and its shipping. From there, I was to

proceed to Holland and work my way to the German border. While my passport did not include Germany, I was to give the captain of the nearest regiment a secret number which would indicate to him that I was a reservist on spy duty. By that means, I was to hurry to Eisendal, head of the secret service in Berlin."

Stegler did not make the trip because Special Agent Adams had got on his trail. As he was planning to sail he was under surveillance. When he was in his bath one morning he was surprised by a visit from Adams and was startled into revealing his plans and telling of his negotiations with Boy-Ed. In his possession were all the letters and telegrams exchanged between him and Boy-Ed, none of which, however, said anything about passports. There was one telegram from "Winko," who was Captain Boy-Ed's servant.

#### LODY SENT TO DEATH

Stegler also said that he had been told that Boy-Ed previously had sent to England Karl Hans Lody, the German who in November, 1915, had been put to death as a spy in the Tower of London. Lody also had been in the navy, had served on the Kaiser's yacht and then had come to this country and worked as an agent for the *Hamburg-American Line*, going from one place to another.

Still another man who had a fraudulent German passport was a German naval reservist, who

had shipped as a hand on the freighter *Evelyn* carrying horses to Bermuda. On one trip that he took, practically all of the horses were poisoned and were lost. He, however, was arrested by Federal authorities on the charge of using the name of a dead man in order to get an American passport.

In passport matters and the handling of spies, Captain Boy-Ed was more acute and more subtle than his colleague, von Papen. Nevertheless, the Government officials succeeded in getting a clear outline of his activities. It seems quite likely that after the arrest of Ruroede in December, 1914, when suspicion was directed to von Papen as the superintendent of the passport bureau, the management thereof was switched to Boy-Ed. The exposure of Boy-Ed's connection with Stegler made it necessary for the German Government to change its system once more.

Boy-Ed, as has been shown, had supervision of naval affairs and matters pertaining to the sea. He issued information to the press bearing on Germany's conduct of her naval warfare. He made pleas for an embargo on the export of arms and ammunition. He received from Count von Bernstorff all information which the Ambassador obtained bearing on that question and, on one occasion, the Count sent him a list of the countries which had forbidden the export of war supplies.

The conviction throughout the country has been steadily growing, since the exposure of von

Papen's methods, that Boy-Ed was not an innocent associate of the military attaché. The Federal authorities, in fact, have unearthed a large amount of evidence to show active participation by Boy-Ed in these enterprises, for to him they simply were a part of the war of Germany on her enemies. Colonel Roosevelt, who has made a special study of Germany's crimes on neutral territories, has expressed the sentiment of Americans in a speech at the Academy of Music, Brooklyn, on January 30, 1916, in these words:

"The German and Austrian governments through their accredited representatives in the embassies here have carried on a campaign of bomb and torch against our industries. The action our government should have taken in view of this campaign was not action against Dumba, von Papen and Boy-Ed but the holding of the German and Austrian governments themselves responsible for every munition plant that was blown up or damaged."

The roll of Boy-Ed's associates, as indicating his knowledge of plots of violence, is illuminating. He employed Paul Koenig for a series of secret activities. He was said to have known Captain Eno Bode, dock superintendent of the *Hamburg-American Steamship Line* in Hoboken, and Captain Otto Wolpert, another dock superintendent, both of whom, it is charged, were involved in a bond conspiracy.

Boy-Ed and von Papen, in many secret confer-



ences on board the *Vaterland* in Hoboken, where they were sure of no eavesdroppers, developed details of their war on America and the campaign of violence on land and on sea to stop the carrying of munitions of war to England, France and Russia. Von Papen superintended the campaigns on land and projected his work upon the seas. The moment, however, the schemes, as papers found in von Igel's possession prove, had anything to do with the sea, he consulted Boy-Ed.

#### SHOVING UNCLE SAM IN THE MEXICAN MUDDLE

One of the causes for the summary dismissal of both Boy-Ed and his confrère, von Papen, from America, was their schemes to involve this nation in a conflict with Mexico, to bring about American intervention in that country and thus provide a different use than against Germany for America's supply of explosives and rifles. Boy-Ed, prior to the war, had opposed the suggestion of intervention, but he changed his mind when he began to appreciate the fact that America in arms would take the powder, high explosives and rifles that Europe was buying. He always was a warm supporter of General Huerta for, when von Papen was in Mexico, getting acquainted with Huerta, Boy-Ed, addressing his colleague there, wrote: "I was especially pleased by what you wrote about Huerta, the only strong man in Mexico. In my opinion, Admiral von Hintze was not quite right in his estimate of him. For

Huerta can scarcely be such a drunken ruffian as Hintze often implies, if only because a chronic drunkard could hardly have kept so uncertain a position under such uncommonly difficult circumstances. I met a number of people in Mexico City who were in close touch with Huerta, and without exception they all spoke very highly of the President's patriotism, capacity and energy."

#### PLANNING WAR WITH THE UNITED STATES

Of Boy-Ed's schemes to do his share in preparing, from a naval standpoint, for war between Germany and the United States, of the plots to create disorganization in the American seaports and to render the German merchantmen useless to Americans, much evidence has been gathered by Federal investigators. Of his methods in getting information secretly from the Navy Department and from battleships, of his placing spies, ready for any deed of daring, on the warships, a greater amount of information has been learned than ever will be made public by the Government. Suffice it to say, precautions already have been taken against those schemes. All this formed the basis for the decision to hand Boy-Ed his passport. Summing up Boy-Ed's work for the Kaiser in America, accordingly, you have his supervision of the shipment of supplies to the German raiders, his activities in fraudulent passports, his cooperation with Dr. Dumba, When President Wilson requested the Kaiser to

recall his military and naval representatives, he caused the announcement that his action was due to "their improper activities in military and naval affairs," a double-barrelled assertion applying to both men.

Captain Boy-Ed, on his return home received from the Kaiser the decoration of the Order of the Red Eagle, third class, with sword, in "recognition of his services in the United States." He would undoubtedly, for "those services," except for the immunity granted him as a member of a diplomat's official family, be facing prison in the United States with Dr. Karl Buenz and other officials of the Kaiser's own steamship line.

## CHAPTER VI

### CAPTAIN FRANZ VON RINTELEN, GERMAN ARCH-PLOTTER

**W**HEN the German spy system was working smoothly and giving gleeful satisfaction to its builders, the War Staff in Berlin sent to America a masterly schemer who threw sand into the machinery. He was Franz von Rintelen, a finished product of the Prussian war-mould. He had been born with a supreme confidence in the conquering destiny of Germany. He had been trained for his work in that order of things and he had subordinated to the needs of the Empire, his business, wealth, brains, energy—yes, his very soul. *He had been ordered here to undertake, with the aid of Germany's agents, the enormous task of isolating commercial and financial America, as a base of war supplies, from Europe. In trying to accomplish his aim he sought to wreck American institutions and to use the United States as a battlefield in a rear attack on the Allies.*

Highly imaginative, keen of foresight, a master of detail, a superb organizer, and conscienceless in the execution of his plans, he seemed like a man so perfectly trained for the emergencies of

war that under no circumstances would he lose his poise. And yet when put face to face with his own misjudgments and forced to take measures to retrieve himself, he lost the very quality which his training was meant to insure—a carefully calculating eye and a cool head. His strategic moves consequently proved to be ridiculous errors that led to his own confusion.

In a brief sojourn in America he moved in the shadows of mystery, employing the vast network of German spies, hiring Americans, using thugs and setting in motion manifold plans for gigantic enterprises that involved the entire governmental, industrial and financial organizations of the country. When he went away, his work unfinished and his aims unaccomplished, a large amount of money wasted, there remained a multitude of trails, isolated facts and incidents suggesting his activities. Seizing these clues, Federal agents under A. Bruce Bielaski and William M. Offley, began to dig up von Rintelen's associates, to get their stories and to obtain proof of the nobleman's doings—his letters and telegrams, his agents' speeches and the instructions which they tried to carry out. Taking these facts, Raymond H. Sarfaty, then Assistant United States Attorney in New York, working with patience and skill, fitted the details together into a series of great mosaics—depicting conspiracy, fraud, purchases of strikes, bribery, perjury, forgery, sedition, almost treason. Those pictures show how hidden forces

—Americans and Germans working in secret—during von Rintelen's presence in this country, plotted to cause commotions in political, industrial and financial spheres, and all to aid Germany in derogation of our rights.

#### PICTURES OF VON RINTELEN

In every one of them, von Rintelen looms as the audacious plotter, man of mystery, user of a hundred aliases, supreme egotist, a vaunted aid to the Kaiser and a Teutonic Dr. Jekyll and Mr. Hyde. In one picture, you see him in exclusive homes on Fifth avenue, a "mould of form"—scarcely thirty-eight years old, slim and upstanding, with stalwart shoulders, the bearing of an aristocrat, short stubborn hair, a moustache with a like independent twist, and greenish-grey eyes that sparkled defiance. He garbed himself in the cut of London's most artistic tailors and selected the colors of his ties, his shirts and his socks with a view to perfect harmony. He was the "glass of fashion" on the tip-toe of courtesy, beguiling with his gallant quips and charming his hearers by his fascinating stories and comments.

Other pictures show him under an assumed name, in conference with conspirators. He might meet them secretly in offices, or in hotels, or he might pick them up in an automobile, whizzing along at full speed and handing gold to hirelings who for a price were ready to undertake some criminal job. He might be seen dining in one

of Broadway's most alluring cabarets, ordering the rarest of wines and boasting of his schemes to accomplish in America what would be equivalent to Germany's capture of Paris.

#### VON RINTELEN'S VALUE

And who is this man? He is so important that when made a prisoner in England, the Kaiser offered to exchange for the nobleman any ten British prisoners that King George might select. He is so esteemed in Germany that large amounts of gold were placed at the disposal of Americans to go to England and by hook or crook effect his escape. Rumor has sought to make him a relative of the Hohenzollerns. Another report has put him down actually as the Duke of Mecklenburg-Schwerin. But persons, who knew him well in Berlin, saw him in the United States and at the prison camp in England, say he is von Rintelen. He is said to be the son of a former member of the Kaiser's Cabinet; but the German "Wer Ist's" does not credit that man with a son. Still, von Rintelen married into one of the wealthiest families in Berlin, his wife being a member of the von Kaufmann family, and he had a commanding social position in Germany.

He is wealthy in his own name, his fortune being estimated at \$15,000,000. He is a director of the Deutsche Bank and the National Bank für Deutschland. He is, or was, a member of the big financial group of Germany and as such was

one of the Emperor's financial advisers. His knowledge and advisory sphere included England, the United States and Mexico; and of the financial and industrial resources of these countries he was supposed to have a broad and comprehensive knowledge. He had influence also because he was a friend of the Kaiser and a close associate of the Crown Prince.

#### A SECRET AGENT'S TRAINING

Von Rintelen's work was cut out for him in his early youth. His qualifications were considered and he was assigned to studies in preparation for the tasks he gave promise of performing most efficiently. At the gymnasium and the university, he divided his time between economics and finance. In addition, he spent considerable time in the navy, finally became a Captain-Lieutenant, and as such qualified for the General Navy Staff. He, too, was one of von Tirpitz's young men chosen for definite lines of naval secret service and financial campaigns that would be of value to the further development of the navy.

Finance may have been a mere cloak for the real nature of von Rintelen's naval assignments abroad, or his secret service training may have been a necessary part of his training for a high place in the Teutonic financial world. Graduating from the university and finishing the prescribed part of his tutelage under von Tirpitz, he went to London where he obtained employment



in a banking house. While there, he was learning not only finance but he was a part of that branch of Germany's spy system that radiated through banking institutions to the various concerns allied therewith. Under the guidance of wise heads in Berlin, he grasped far more facts about banking conditions than ever were suspected by his English associates.

Next he came to America. He entered the banking house of Ladenburg, Thalmann & Co., spending a short time there and then moving to other banking institutions, some of which were branches of English and Canadian banks. He obtained letters of introduction from big bankers to bankers scattered throughout the United States. He grew in knowledge, learned American banking methods, the connections of banks with big industries, and sought to make affiliations of benefit to German institutions. He served, meantime, as Germany's naval representative at the exercises in commemoration of John Paul Jones. His entrance into New York's society was paved for him through the German Embassy's friends. He was a guest at social functions where only the most favored were invited. He was accepted as a member of the New York Yacht Club. He was entertained at Newport. He made friends among the biggest men in New York; for he was attractive, a remarkable cosmopolite, extremely learned, versed in international questions, speaking English, French and Spanish

fluently, and above all he was an inimitable raconteur. He showed himself at all times an ardent pro-German, arguing for a union of Germany and the United States in the event of war.

Through his wide acquaintanceship and innumerable avenues open to him, he gained information about America such as only the most favored businessmen in America possess. He left this country finally, saying he would go to Mexico to investigate conditions there, hoping that eventually he might be able to open Mexican and South American branches of a German bank. But before going, he had acquired insight not only into American banking connections with Canada but also with Mexico. He knew the big financial groups interested in the development of the natural resources of those countries and he knew thoroughly America's actual and industrial preparedness for war.

#### BACK TO GERMANY

So, returning to Berlin in 1909, he again took up his banking business and continued his close affiliation with von Tirpitz and the Big Navy crowd, setting forth the facts he obtained and making recommendations for the development of Germany's secret service in America. He became more prominent socially than ever, making it a point to entertain Americans. When his American acquaintances turned up in Berlin, they invariably found von Rintelen a most cordial and

extravagant host. He obtained introductions at court for some; and he introduced others to the Crown Prince. When the war started, Americans who besought von Rintelen for help in the exciting days, found him most obliging.

But before circumstances that brought von Rintelen to this country arose, he received several Americans. One was a wealthy American manufacturer who owns a large factory in France. Being on intimate terms with von Rintelen, he called upon him and explained how the plant had been closed down with the invasion of the Germans, causing a big financial loss. He appealed for von Rintelen's intercession to have the concern continue business. He got von Rintelen's promise of aid but returned to the United States before any definite action was taken as von Rintelen was too crafty to make any move before he was ready to ask his compensation.

Von Rintelen was ordered, in January, 1915, by the General War Staff to come to America. It had become necessary to send a man here to buy supplies of copper, rubber and cotton and to take extensive precautionary measures against the Allies getting war munitions from America. He was scornful of American facilities for filling Allies' orders and backed by the authority of the War Staff and a group of Berlin's ablest bankers, he made arrangements for his trip. Knowing he must elude the English, he obtained the Swiss passport of his sister Emily V. Gasche, who was

with her husband in Switzerland. He erased the "y" of Emily and had the passport altered in other ways to suit his needs, travelling as Emil V. Gasche, a Swiss citizen. As he bade good-bye to his wife and two little daughters, he talked arrogantly of a quick trip to America past English spies, promised big accomplishments for the Emperor and an early return home.

Von Rintelen, confident and daring, is said to have gone first to England. After gathering facts about the manufacture and importation of munitions of war and England's method of increasing the supply, he disappeared suddenly and is believed to have gone to Norway. When he was on the high seas due to arrive in New York on April 3 he sent a wireless message to the American owner of the factory in France, asking an interview at the pier. Von Rintelen, acting at what was the time best suitable to himself, had succeeded in having the American's factory opened. He wished, on landing, to give him this information and in return get help in the plans that he wished to put into effect. As the American did not go to the pier, the nobleman, always alert and suspicious, hired a detective who spent a week investigating. He finally met this man, told him in part the purpose of his trip to America, and used him as a means of getting introductions to men who would prove valuable to him.

## JEKYLL AND HYDE

Herr von Rintelen, having dropped the guise of E. V. Gasche, immediately began to play Dr. Jekyll and Mr. Hyde. Dr. Jekyll, visiting the Yacht Club and calling upon wealthy friends, proved a more charming, more delightful von Rintelen than ever, meeting influential business men who were selling supplies to the Allies. He was presented to society matrons and debutantes, whom, by flattery and subtlety, he sought to use to further his purposes. To these, he was Herr von Rintelen in America on an important financial mission. But occasionally, he made wild boasts of plans. As a typical Mr. Hyde he sought information from von Bernstorff, von Papen, Boy-Ed, about the production of war supplies. Astounded by what he learned from them and corroborated from other sources, he began to realize how utterly he had misjudged America's potential resources and what a blunder he had made in his statement to the General War Staff.

Within a brief time von Rintelen realized, with a vividness that chilled him, the capacity of America to hand war materials to the Allies and her rapidly increasing facilities to turn out still more ammunition and bullets. The facts which he obtained struck him with triple force because of the knowledge he had about the war moves. *It is upon a basis of the supplies of munitions in the Allied countries, particularly Russia, as von Rintelen knew them, that his acts are best*

*judged and upon this basis only can sane motives be assigned to the rash projects which he launched.*

He understood these three striking facts thoroughly: (1) that the German drive on Paris had failed because in two months the Germans had used up ammunition they confidently expected to last a half a year; (2) that the English and French in the west could not take up the offensive because ammunition was not being turned out fast enough; and (3) that the Russian drive on Germany and Austria would soon fail for lack of arms and bullets.

In the winter and spring of 1915 the Russians had made a drive into Galicia and Austria, hurling the Austrians and Germans back. In May they had advanced victoriously through the first range of the Carpathian mountains. Meantime the German General Staff, as von Rintelen knew, was preparing for a big offensive against the Russians. The War Staff knew of Russia's limited capacity to produce arms and ammunition, knew that during the winter with the port of Archangel closed by ice, her only source for new supplies lay in the single-track Siberian railway, bringing material from Japan. He realized that by spring the Russian resources would well nigh be exhausted and that with the beginning of the projected Austro-German offensive the crucial necessity lay in shutting off supplies from Russia. He knew that England and France could not help her and therefore, the American source

must be cut off absolutely. But spring had already come; ships were sailing for Archangel laden with American explosives, shells, and cartridges.

#### A PLOTTER AT WORK

Von Rintelen, startled by his mistaken estimate of American industrial preparedness, and frantically determined that Russia's supplies must be crippled, that the cargoes going to France and England must be held back, began mapping out his gigantic enterprises. These conditions were the big compelling motive; for the nobleman's reputation was at stake. *The work for which he had been so carefully trained was bound to fail unless he acted quickly.* Desperate measures were necessary. With that situation in view he exchanged many wireless communications with his superiors in Berlin—messages that looked like harmless expressions between his wife and himself in which the names of Americans who had been in Berlin were used both as code words and as means to impress upon the American censor their genuineness. He obtained as a result still greater authority than he had received on the eve of his departure from Germany.

In his quick fashion, he often boasted, and there is foundation for part of what he said, that he had been sent to America by the General Staff, backed by \$50,000,000 to \$100,000,000; that he was an agent plenipotentiary and extraordinary,

ready to take any measure on land and sea to stop the making of munitions, and to halt their transportation at the factory or at the seaboard.

*He mapped out a campaign, remarkable for detail, scope, recklessness and utter disregard of American laws.* These plots proved von Rintelen, or the German General Staff, a master of thoroughness and ingenuity, for he took into consideration the psychology, the customs, habits, and reported weaknesses of Americans.

*His schemes in brief were (1) the purchase of war materials for Germany as a means of boosting prices; (2) the fomenting of war between the United States and Mexico as a means of compelling the American Government to seize all available war munitions; (3) a campaign of publicity and the arousing of public sentiment to bring about an embargo on arms shipments; (4) strikes in American industries; and (5) a series of acts of violence against factories and munition-carrying vessels.*

Von Rintelen rapidly mobilized his forces of money and men. He went first to the Trans-Atlantic Trust Company, where he was known by his right name and where he arranged his finances. Money was transferred from Berlin through the usual German channels—large corporations with German affiliations—and placed to his credit in various banking institutions. He deposited large amounts in the Trans-Atlantic Trust Company and large amounts, totaling mil-



lions, in other banks. He next rented an office on the eighth floor of the same building that housed the trust company and had a telephone running to it through the switchboard of the banking institution. He registered with the county clerk as the E. V. Gibbon Company, a purchaser of supplies, signing his name to the document as "Francis von Rintelen."

Using the name of Fred Hansen, he received persons in that office. There he summoned to his help a part of the German espionage system. He did not hesitate to call upon any German for assistance, and thousands of willing workers were at his disposal. If he wished a naval reservist, he knew where to get him; if a member of the landsturm was needed for any detail, he was called. From Boy-Ed, he received data about the sailings of ships; from von Papen, facts about munition factories. He met Koenig and assigned numerous tasks to him, particularly the location of munition factories, their products and exports.

His first task, merely incidental in importance compared with his other aim, was the succoring of the Fatherland and the blocking of the Allies through purchases. He participated with influential Germans in the scheme of buying the leading munition factories. He attempted the running of the British blockade. Dr. Albert also was buying goods, but von Rintelen, working on a much larger scale, commensurate with his fertile imagination, and employing a staff of agents,

took charge of the shipments of raw products and food. Carrying on these purchases through E. V. Gibbon Company, using the name of Gibbon and Hansen, he had as aid Captain Steinberg a German naval officer. *Through him, von Rintelen chartered ships, purchased materials, caused false manifests to be made for the cargoes, and arranged for shipment to Italy and the Scandinavian countries, whence they were trans-shipped.*

### IN THE MAZE

This officer, it is charged, had dealings with Dr. Walter T. Scheele, the alleged manufacturer of fire bombs, and arranged with him to mix lubricating oil, so urgently needed in Germany, with fertilizer, and ship the oil as "commercial fertilizer." The oil was to be extracted by a chemical process in Germany. Von Rintelen, through Steinberg, importuned Dr. Scheele to ship munitions as farming implements, giving him \$20,000 for that purpose. Dr. Scheele did bill the shipment as requested, but he did not lie because he shipped farming machinery, taking a fat commission. Again von Rintelen was hoodwinked. The officer, von Igel and Dr. Scheele have been indicted on a charge of conspiring to defraud the United States by false manifests.

*"The British blockade," von Rintelen used to boast with purring pride, "is a myth. I can send to Germany all the goods that I wish."*

So skilfully did he plan—he was a master of

detail and a consummate artist in concealing his movements—and so many different aliases did he employ, that at first he attracted no attention, and after a time his doings were credited to a German Red Cross lecturer. Because of the German method of switching agents to cause confusion to the enemy's spies, it is probable that some Red Cross agents did figure in the purchases. The investigations of the Federal authorities, however, have laid to von Rintelen the schemes carried on from April to June, 1915.

*Von Rintelen boasted that he bought provisions, amounting to \$2,000,000 a week, for shipment to Germany through Denmark. More than \$25,000,000 was consumed by von Rintelen in his blockade—running, many of the boats being seized by British warships.*

*Von Rintelen also took a flier at the most elusive and puzzling diversions of war-brokers, namely the purchase of the 350,000 Krag-Jorgensen rifles which the United States Government had condemned just prior to the outbreak of the war. Around those rifles was centered more intrigue and deceitful scheming than was incited by almost any other single article connected with the war. Even after the Government had announced emphatically that they were not for sale, and President Wilson had told one banker: "You will get those rifles only over my dead body," every belligerent tried to get them.*

Von Rintelen heard that by bribing Govern-

ment officials he could obtain the guns. He was stirred; for if an official would accept money for one thing, he could be influenced to do other things to help Germany. Sending out agents, he offered to purchase the rifles. He encountered a man who put a price of \$17,826,000 on them, part of the amount being intended, von Rintelen was told, as bribes of several millions of dollars for Government officials.

Things looked bright to von Rintelen. "*So close am I to the President,*" said the agent who promised to deliver them, "*that two days after you deposit the money in the bank you can dangle his grandchild on your knee.*" But von Rintelen apparently came to realize that he was dealing with the secret agent of another government, who was laying a trap for him, and he quickly withdrew.

#### THE LUSITANIA GOES DOWN

*Then the Lusitania was torpedoed.* Americans who were connected with von Rintelen's schemes to ship supplies to Denmark and to buy the Kraggs, became alarmed over the prospect of war with Germany. They cut off negotiations with him and fearing possible government investigations, they began to talk. Part of the activities of a mysterious German of the name of Meyer and Hansen reached both the Government officials and newspapers. A reporter on the New York *Tribune* who got a "tip" of the real facts

and who hunted for von Rintelen, frightened the German agents from the office of the E. V. Gibbon Company. Steinberg skipped back to Germany disguised as a woman carrying a trunk full of reports showing the necessity of concerted action to prevent the Allies from getting American war materials.

Von Rintelen slipped away to an office in the Woolworth Building. On disclosing something of his schemes to men there, he was quickly ordered out. He moved to the offices, in the Liberty Tower, of Andrew M. Meloy, who had gone to Germany hoping to interest the German authorities in a scheme having the same purpose as von Rintelen's. In Meloy's office he posed as E. V. Gates—still retaining the initials of E. V. G. So effective was von Rintelen's "getaway," that he was reported to have gone abroad as a secretary. Those newspaper stories again gave von Rintelen cause to chuckle over his cleverness and his elusiveness, and encouraged him to still more reckless projects. He was reporting meantime to Berlin by means of apparently innocuous commercial messages sent by wireless, and also by cablegrams *via* England and Holland.

Von Rintelen, always scheming to prevent arms and ammunition from going to the Allies, reached into Mexico to use that country as another angle from which to harass the United States. *He planned*—and this project was a part of his vast campaign—to *embroil Mexico and*

*this country in war, or to cause such a jumble of revolutions within the Mexican borders that the United States would be compelled to intervene. He pictured this country in war with Mexico, a mobilization of the regular army and the militia, an assembling of the American fleet. That would require a large part of the output of the munition factories. The horses that were being shipped to the Allies, the arms, the clothing for soldiers, the shoes and the hundreds of other things which American factories were busily turning out, would be required for a large American army moving south of the Rio Grande.*

#### STIRRING UP MEXICO

He seized, therefore, upon President Wilson's opposition to General Huerta, and he planned to start a revolution in Mexico with the aim of returning Huerta to power and thus placing the United States in a position where it would be compelled to go into Mexico and restore order. The United States would not be in a position then to dictate terms for the settlement of the *Lusitania* controversy, would seize the war supplies going to the Allies, and, incidentally, would be hampered for the remainder of the European war.

Ensnconced in Meloy's office, von Rintelen had as his daily associate a man of his own age and of much the same appearance, tall, slender, splendidly dressed, namely, a Mexican of Ger-

man ancestry and a banker of Parral. These two had known each other for years, and the two met in New York. The banker was versed in Mexican affairs, and the young German-Mexican knew some of von Rintelen's plans which had been set in operation before the latter's arrival in America.

German agents had been sent to Barcelona, Spain, to confer with General Victoriano Huerta, former dictator of Mexico, and dazzle him with the prospect of returning to power. Von Rintelen appreciated keenly the fact that Huerta in Mexico virtually meant a declaration of war by the United States, and, therefore, he wanted to put him there.

Having coaxed the old warrior to the United States, the agile-witted nobleman got Boy-Ed and von Papen to map out Huerta's plans. The two attachés, with von Rintelen standing, invisible, far in the background and pulling the strings, had many secret conferences in New York hotels, overheard by Federal agents. They developed the plans for Huerta's dash into Mexico, and the uprising of Mexicans to support him. Von Rintelen, Boy-Ed and von Papen made trips along the Mexican border, arranged for the mobilization of Mexicans, for the storing of supplies and ammunition and for furnishing funds. Von Rintelen deposited in Cuban banks and in banks in Mexico City more than \$800,000 for Huerta's use. When the aged general, stealing

away from New York, reached Texas he was nipped, while attempting to jump the international border.

*While the Huertista faction was amply financed, it was only one of seven groups, five of which were in Mexico, to which von Rintelen passed out money.* Striving to stir up trouble and still more trouble for the United States, he poured gold upon gold into Mexico, hoping that President Wilson, nervous and harassed, would raise a big army for a march.

Next, as an English banker making a special study of Mexican railway securities, he called one day upon Villa's representative in New York, and discussed the Mexican situation with him, and afterwards he sent money to Villa. He gave support to Carranza. He financed Zapata, and he started two other small revolutions in Mexico. He gave \$350,000 to one agent who hurriedly left the country carrying the cash with him. He sent \$400,000 traveling through devious channels to help one of the revolutionary parties; but that money was recovered by von Rintelen's superiors after a most exciting scramble. The reckless agent is reported to have expended \$10,000,000 in his Mexican enterprises, and airily he said he would spend \$50,000,000 if necessary.



## CHAPTER VII

### CAPTAIN FRANZ VON RINTELEN, GERMAN ARCH-PLOTTER

**B**UT von Rintelen had still bigger projects afoot. While his precise, swiftly moving mind supervised the Mexican conspiracy, and carefully watched over shipments of supplies to the Fatherland, *he was launching a series of concerted conspiracies designed to cut off this country almost entirely from Europe.* His vivid imagination had led him to picture a Utopian fantasy wherein Americans who believed so absolutely in universal peace—despite the war raging abroad—that the laborers would refuse to make munitions of war, the farmers would decline to sell food to warring nations, and the Government would take over all the war factories. *Von Rintelen, accordingly, determined to bring such a dream into real life, not for altruistic purposes, but to help Germany conquer the Allies.*

He had made his plans before he left Germany, and he had sent ahead for information concerning Americans as his aids, who were skilled in finesse and underground work. *He wanted men who, while men of brains, might be led by lust for gold or hatred of England to espouse the criminal*

*schemes which he had originated. He sought leaders whose logic and oratory could sway the rank and file. The man of whom he had heard while in Berlin as a likely assistant was David Lamar, now serving a term of imprisonment for having impersonated a Congressman, whose craftiness and ingenious methods in using politicians in his stock operations had won him the title of "The Wolf of Wall Street."* The two men were brought together.

One can see von Rintelen, enthusiastically speaking in millions of dollars, as he outlined his schemes to Lamar, his equal in grace of manner and deceit, and Lamar cloaking his avarice with smiles and soft words. Of course, Lamar, his dark eyes sparkling at von Rintelen's boast, "I have millions to spend," echoed the nobleman's sentiments.

#### BEFUDDLING THE PACIFISTS

*Von Rintelen's first step, as he outlined it to Lamar, was to use the horrors of the European War as an appeal for universal peace, and to enlist the laboring men and the farmers of America in raising their united voice against the exports of arms and ammunition. And thus a great labor peace propaganda was originated by a German whose patriotism had driven away his scruples, and an American who had gone money-mad. The details of the organization were set forth, and soon von Rintelen had a staff of work-*

ers at his command, though they all may not have known he was paying their salaries. His agents, in secret interviews with labor leaders, were soliciting their aid, flashing rolls of gold-tinted certificates. The men who guiltily handled the money which von Rintelen drew from the bank had only one complaint, namely, that the denominations of the bills were entirely too large.

*Two of von Rintelen's agents following Samuel Gompers, president of the National Federation of Labor, to Atlantic City one day, offered him \$500,000 for his services in indorsing the peace propaganda and participating in the work. Mr. Gompers scorned the offer. Other big labor leaders, whose aid was solicited, began immediately to warn their associates against the anti-American activities of German agents.*

By June, 1915, von Rintelen's schemes were moving apace. A big advertising campaign had been started in the early spring with von Rintelen's cash. Newspaper propaganda picturing the glories of universal peace began to appear.

By the aid of Lamar, who kept von Rintelen in the background, the German soon had many persons working and talking in the interest of universal peace. It is charged that the services of Frank Buchanan, Representative in Congress and former labor leader, and of H. Robert Fowler, ex-Congressman, were obtained. Whether they were aware of von Rintelen and his motives is a question for a jury to answer, for they have

been indicted in connection with the alleged activities of the Labor's National Peace Council.

Within a short time, thousands of invitations were scattering throughout the country to labor leaders, small and large, and to heads of farmers' granges, to attend the national convention of the peace propaganda at the expense of the organization. All railroad fares, hotel expenses and a liberal allowance for spending money were promised.

Under the fostering financial auspices of von Rintelen, who hovered conveniently near the New Willard Hotel, the members of a peace movement gathered in Washington, expenses paid. They adopted resolutions saying they desired "to promote peace." *The resolutions demanded the enactment of laws that would enable the Government to take over as exclusive government business the manufacture of all arms, instruments and munitions of war; demanded an immediate embargo upon shipments of war supplies to the belligerents; denounced the maintenance of military and naval forces, and called for a special session of Congress to promote "peace universal."* The executive board went immediately into executive session.

#### PAYING THE HIRELINGS

"How is this movement to be financed?" one of the newly elected executive board asked an-

other. He and one of the vice-presidents waited for an answer. They got none, he says, and the question was repeated by another. Then one of the officers answered:

"This thing is big enough, so that I do not care where the money comes from to finance it."

Another member asked:

"What, after all, does this council want to do?"

"We want," was the answer, "to stop the exportation of munitions to the Allies. Germany can manufacture all the munitions she wants."

Von Rintelen's deposit in the Trans-Atlantic Trust Company meantime was growing smaller by jumps of \$100,000, which was drawn on checks payable to cash, placed in another bank, quickly withdrawn, and on one occasion the money in bills was taken to the headquarters of a peace organization in a suit-case. *Bank accounts of von Rintelen's peace propagandists began to jump.*

The executive board was busy. One of the first moves was a statement filed with Secretary of State Lansing alleging that nine ships in various American ports were taking on cargoes of ammunition in violation of the neutrality laws. That charge, undoubtedly prepared with von Rintelen's aid upon information gathered by German spies, showed an accurate knowledge of the merchantmen loading with supplies for the Allies. *There was, however, no violation of law,*

because the vessels were officered and manned by ordinary seamen who had no connection with the Allied governments.

The second step was the preparation of a complaint charging as a violation of law the issuance of Federal Reserve notes by national banks on the ground the New York banks had lent money to the Allies which was being used in payment for war supplies; that some of those banks had rediscounted notes with the Federal Reserve Bank. Here again was displayed a remarkably detailed knowledge of the business of the Federal Reserve Banks. *This charge also fell flat.*

A third move was against Dudley Field Malone, Collector of the Port of New York. Resolutions were adopted accusing him of exceeding his authority in having granted clearance papers to the steamship *Lusitania* when that vessel was laden with munitions, and authorizing an action to be started against him. No suit, however, was begun. In this connection, it may be mentioned that one member of the peace committee was attorney for a woman of Chicago, who, months afterwards, started suit for \$40,000 against Collector Malone and Captain Turner, of the *Lusitania*, on the ground that the ship illegally carried explosives.

#### CONSPIRACY GROWS BOLDER

These public acts mentioned above, however, are charged by the Federal Government to have

been merely a cloak, covering a more extensive conspiracy financed by von Rintelen. By a series of strikes in munition factories, humming with the Allies' war orders; on railroads carrying the articles to the seaboard; and on steamships, von Rintelen, it is alleged, sought to cut off commerce among the United States and the Allied countries. Von Rintelen and several others are accused in the Federal indictment of doing six different acts in a conspiracy in restraint of foreign commerce. They are charged with conspiring to use "solicitation, persuasion and exhortation" to influence the workers to go on strike or to quit work, to bribe officers of labor unions to get the men to strike, and "by divers other means and methods not specifically determined upon by the defendants, but to be decided as the occasion arose."

Von Rintelen was busy now jumping from town to town, sending orders under one name, then another, and paying out money. *There took place in June and July, 1915, many strikes which, the national labor leaders of the respective trades said, were absolutely unauthorized by the national bodies.* The German agent was delighted to read in the newspapers of strikes at the Standard Oil plant in Bayonne, N. J.; of strikes at the Remington Arms Company in Bridgeport, Conn., and in the General Electric Plant in Schenectady, N. Y. His agents would approach him gleefully with the newspapers containing these accounts,

and immediately would receive another bundle of bills with the exhortation, "That is fine. Go out and start some more."

Another projected strike in connection with which Germans were mentioned in correspondence, but in which von Rintelen is not named, is presented here because it fits in the general scheme of the German plotting. That is the conspiracy on part of moneyed representatives of Germany in May and June, 1915, to start a strike simultaneously among the 23,000 'longshoremen on the Pacific and Atlantic coasts. *Such a walk-out would absolutely have paralyzed American shipping, completely stopped the movement of explosives to the Allies at a most critical moment.* A leader of the big 'Longshoremen's Union told Chief William J. Flynn, of the United States Secret Service, that \$1,035,000, or \$45 for every man, was offered to keep the men out on strike for four weeks. After the sinking of the *Lusitania*, the man who approached the 'longshoremen wrote under the name of "Mike Foley," asking if an "S." (strike) was to be called, that because of the "L. (*Lusitania*) affair," his people were not going to do anything at present, and because the "Big Man" (who preceded von Rintelen) was going away. It will be recalled that after the sinking of the *Lusitania*, Dernburg was dismissed from the country because of his comments concerning the attitude of Germany toward submarine warfare.



## CRIMINALS SET TO WORK

While von Rintelen was reaching out in so many directions in his frantic endeavor to build a barrier between the United States and the Entente Powers, he did not hesitate to resort to criminals. Keeping his quick eyes on the progress of the peace propaganda, he had schemes which, while distinctly separated from that organization, were designed to work in harmony with the developments in the strike propaganda. Von Rintelen planned by aid of reservists and crooks to take other measures in munition factories to stop, delay, injure the production of materials destined for the Allies battle fronts.

*He sent trained German reservists to get employment in factories with orders to collect information and do what they could to cause trouble.* Resorting again to the well-developed system of German secret agents in New York, under new aliases, he got in touch with organized bands of criminals in New York, and, the authorities say, hired them *to start depredations on the ships being loaded with supplies* for the Allies in New York harbor. To von Rintelen or some other person associated with him is attributed the origin of a plot for widespread attacks by thieves on cargoes being lightered from railroad piers to merchantmen. These thefts of sugar, automobile tires and magnetos have amounted to millions of dollars. For instance, one of the sugar thieves

stealing bags of sugar from a lighter said to a comrade:

"Take some more bags. The ship won't ever reach the other side anyway, and nobody will know."

To the persons who doubt these varied, reckless and extensive activities of von Rintelen, it may be suggested that von Rintelen asserted frequently to his associates that he had come to America to take every step, including peaceful or violent measures, to stop the shipment of munitions.

The reader must not overlook the supervision which von Rintelen exercised over the manufacturer of fire bombs which German reservists are accused of hiding on the Allies' merchantmen, and the fact that von Rintelen's aid visited a bomb man in his Hoboken laboratory frequently; that on one occasion he scored him roughly because the fire bombs were not proving effective. Furthermore, Fay, after his arrest, and long before the indictment of the bomb plotters, told Captain Tunney of a wealthy German, then a prisoner of war in England, who had paid \$10,000 to a Hoboken chemist to make fire bombs.

Though von Rintelen, during the months of June and July, was exuberant over the reports—most of them false—which were carried to him concerning the progress of peace, the strikes and other schemes, and though he was kept drawing money from the bank until the \$800,000 in the

Trans-Atlantic Trust Company was reduced to \$40,000, he began to have doubts about Lamar and about the effectiveness of the latter's management of some of the projects. He knew that Lamar and his associates were planning for a second rousing meeting in Washington, but, becoming suspicious, he suddenly cut off the money. He had received estimates of activities that required more money. After deliberation he finally decided to slip away to Berlin, get away from Lamar entirely and after making a report to the War Office return to America to broaden his scope of work.

All told, von Rintelen had failed to perceive any falling off in the exports to the Allies. They were in fact rapidly increasing and von Rintelen's schemes thus far had proved ineffective, though he still was optimistic that eventually he would have all his forces working in unison and thus accomplish his aims.

He did not go to Washington when a second peace convention was in session, and the word had slipped out to some of the workers that von Rintelen was about to sail. Still the meeting with the members claiming a representation of 8,000,000 voters, was more denunciatory, enthusiastic over its aims, than ever. There were attacks on President Wilson and demands for an embargo on war munitions. There was an intense pro-German feeling.

Differences, meantime, began to arise among

the members of the executive board. One of the vice-presidents resigned just before the second session convened, saying emphatically that the financing of the organization was under suspicion. Another quietly quit, not making the fact public until weeks afterward. Lamar flitted away to a magnificent country home which he had bought in Pittsfield, Mass. There was no money left. The propaganda died.

#### EXIT VON RINTELEN

Von Rintelen was on the high seas. He had left \$40,000 in the bank in charge of his friends, and some of the plotters tried to get that on the strength of a promise to stop the Anglo-French bond sale of \$500,000,000. Before sailing he had applied for a passport as an American citizen named Edward V. Gates of Millersville, Pennsylvania. But whisperings concerning von Rintelen's activities had reached the White House from society folk who had heard von Rintelen's rash talk and who knew of some of the unscrupulous things he had attempted. The State Department ordered an investigation and finally sent his passport on to New York the day before the sailing of the *Noordam*, in care of Federal agents; but von Rintelen did not claim it. Though he had bought a ticket on the boat under the name of Gates, and had obtained drafts payable on that name, he did not occupy the Gates cabin but at the last minute engaged passage un-

der the name of Emil V. Gasche, a Swiss citizen.

On board ship, he set to work preparing for the close scrutiny of British naval officers when the ship neared Falmouth. He handed over many of his documents to Andrew D. Meloy, his traveling companion and Meloy's secretary. He dictated a long document about financial conditions of Mexican railways purporting to be the report of himself as commissioner for a group of English bondholders. He sought to make it appear that he had been sent to the United States as a representative of the bondholders' committee of Mexican railways. When the British officers came on board and searched him, von Rintelen put up a skillful bluff but finally surrendered as a prisoner of war. Meloy, who had aided von Rintelen in his application for the American passport, was sent back to this country by the British authorities.

#### A VALUABLE PRISONER

While von Rintelen, after his strenuous days in America, was resting comfortably in a luxurious prison camp at Donington Hall, England, the American authorities were busily delving into his record. Mr. Sarfaty presented witness after witness and thousands of documents to the Federal Grand Jury. Von Rintelen and Meloy were indicted, first, for the fraudulent passport conspiracy; and Meloy finally made a confession to the Government authorities. Von

Rintelen's agent, called before the Grand Jury and refusing to answer, was adjudged in contempt of court and spent a night in the Tombs prison. Another agent, summoned before the Grand Jury and asked about his dealings with von Rintelen, refused to answer on the ground that it might tend to degrade and incriminate him, but he afterward was arrested on a fire-bomb charge.

Von Rintelen was indicted on the charge of forgery on the passport application, and upon that as a basis, application was made to the English authorities for his extradition. After months of investigation, indictments finally were filed against von Rintelen, Lamar, and his associates on a charge of conspiring to restrain foreign trade.

The moment a United States District-Attorney, equipped with a mass of documentary evidence, telegrams, letters, minutes of secret meetings, and the statements of hundreds of witnesses, laid facts before the Grand Jury who brought an indictment against a Congressman, the House of Representatives, without waiting for the trial of the defendant, immediately ordered an inquiry which in substance amounted to a fishing expedition by the sub-committee to ascertain just what evidence Mr. Marshall and Mr. Sarfaty had dug up against one of their members. Congress did not take any action and finally, after a spectacular play decided to let the matter drop.

## A COSTLY FAILURE

From the viewpoint of picturesqueness, fantastic conceptions, recklessness, extravagance, and a remarkable mastery of detail, von Rintelen stands forth as the most extraordinary German agent sent to America. Boy-Ed and von Papen are now telling their friends in Berlin that their recall was due not to what they did but to what von Rintelen did and said.

The energetic nobleman had hoped to cause an absolute cessation of exports from this country to the Allies and to create a political situation where the United States would be powerless to make any protest on Germany's submarine warfare. To bring these conditions about *he had not hesitated to try to foment war between the United States and Mexico, to violate various American neutrality laws, to attack American institutions and American ideals with the aim of causing an industrial stagnation.* Yet how little he actually accomplished!

His Mexican plans were a failure. His schemes to influence legislation came to naught. While a few strikes were started and quickly settled, the activity of the Germans proved hurtful to the workingmen. Von Rintelen did get a few supplies over to Germany; but many of his ships were seized by the English. His enterprises are said to have cost many millions of dollars and the supplies which he shipped are about the only thing that Germany got out of his gigantic schemes.

U. S. Attorney Marshall has a passport issued to Edward V. Gates which von Rintelen can have any time he wishes to come and get it. Should he ever step upon American shores, he will face charges which upon conviction furnish a total sentence of anywhere from fifty to sixty years. *Never did Germany aim through one man to accomplish so much yet effect so little as through Franz von Rintelen, the Crown Prince's friend.*



## CHAPTER VIII

### THE STORY OF THE LUSITANIA

**T**HE *Lusitania* was, in the eyes of the German Admiralty, the symbol of Great Britain's supremacy on the seas. The big, graceful vessel, unsurpassed in speed, had defied the German raiders that lurked in the Atlantic hoping to capture her and had eluded the submarines that tried to find her course. Time and time again, the Germans had planned and plotted to "get" the *Lusitania* and every time the ocean greyhound had slipped away from them—every time save when the plot was developed on American territory.

To sink the *Lusitania*, the German admiralty had argued, was to lower England's prestige and to hoist the black eagle of the Hohenzollerns above the Union Jack. Her destruction, they fondly hoped, would strike terror to the hearts of the British; for it would prove the inability of the English navy to protect her merchantmen. It would prove to the world that von Tirpitz was on a fair way of carrying out his threat to isolate the British Isles and starve the British people into submission to Germany. It would be a last warning to neutrals to keep off the Allies' merchant-

men and would help stop the shipment of arms and ammunition to the Allies from America. It would—as a certain royal personage boasted—shake the world's foundations.

Gloating over their project and forgetting the rights of neutrals, the mad war lords did not think of the innocent persons on board, the men, the women and babies. The lives of these neutrals were as nothing compared with the shouts of triumph that would resound through Germany at the announcement of the torpedoing of the big British ship, symbol of sea power. The attitude was truly expressed by Captain von Papen who on receiving news of the sinking of the *Lusitania* remarked: "Well, your General Sherman said it: 'War is Hell.'"

So the war lords schemed and the plots which resulted in the sinking of the *Lusitania* on May 7, 1915, bringing death to 113 American citizens, were developed and executed in America, through orders from Berlin.

The agents in America put their heads together in a room in the German Club, New York, or in a high-powered limousine tearing through the dark. These men, who had worked out the plot, on the night of the successful execution had assembled in a club and in high glee touched their glasses and shouted their devotion to the Kaiser. One boasted afterward that he received an Iron Cross for his share in the work.

On the night of the tragedy, one of the con-

spirators remarked to a family where he was dining—a family whose son was on the *Lusitania*—when word came of the many deaths on the ship: “I did not think she would sink so quickly. I had two good men on board.”

#### WARRIORS AT WORK IN AMERICA

In their secret conferences the conspirators worked their way round obstacles and set their scheme in operation. Hired spies had made numerous trips on the *Lusitania* and had carefully studied her course to and from England, and her convoy through the dangerous zone where submarines might be lurking. These spies had observed the precautions taken against a submarine attack. They knew the fearful speed by which the big ship had eluded pursurers in February. They also had considered the feasibility of sending a wireless message to a friend in England—a message apparently of greeting that might be picked up by the wireless on a German submarine and give its commander a hint as to the ship's course. *In fact, they did attempt this plan.* Spies were on board early in the year when the *Lusitania* ran dangerously near a submarine, dodged a torpedo and then quickly eclipsed her German pursuer.

Spies also had brought reports concerning persons connected with the *Lusitania* and had given suggestions as to how to place men on board in spite of the scrutiny of British agents. All these

reports were considered carefully and the conclusion was that no submarine was fast enough to chase and get the *Lusitania*; that it was practically impossible to have the U-boats stationed along every half mile of the British coast, but that the simplest problem was to send the *Lusitania* on a course where the U-boats would be in waiting and could torpedo her. The scheme was, in substance, as follows:

“Captain Turner, approaching the English coast, sends a wireless to the British Admiralty asking for instructions as to his course and convoy. He gets a reply in code telling him in what direction to steer and where his convoy will meet him. First, we must get a copy of the Admiralty Code and we must prepare a message in cipher giving directions as to his course. This message will go to him by wireless as though from the Admiralty. We must make arrangements to see that the genuine message from the British Admiralty never reaches Captain Turner.”

That was the plan which the conspirators, aided and directed by Berlin, chose. Upon it the shrewdest minds in the German secret service were set to work. *As for the British Admiralty Code, the Germans had that at the outbreak of the war and were using it at advantageous moments. How they got it, has not been made known; but they got it and they used it, just as the Germans have obtained copies of the codes*

used by the American State Department and have had copies of the codes used in our Army and Navy. While the codes used by the British officials change almost daily, such is not the case with merchant vessels on long voyages.

The next step of the conspirators was to arrange for the substitution of the fake message for the genuine one. Germany's spy machine has a wonderful faculty for seeking out the weak characters holding responsible positions among the enemy or for sending agents to get and hold positions among their foes. It is now charged that a man on the *Lusitania* was deceived or duped. Whether he was a German sympathizer sent out by the Fatherland to get the position and be ready for the task, or whether he was induced for pay to play the part he did—has not been told. Neither is his fate known.

Communication between New York and the German capital, ingenious, intricate and superbly arranged, was just as easy almost as telephoning from the Battery to Harlem. Berlin was kept informed of every move in New York and in fact selected the ill-fated course for the *Lusitania's* last voyage in English waters. Berlin picked out the place where the *Lusitania* was to sink.

Berlin chose the deep, sea graves for more than 100 Americans. Berlin assigned two submarines to a point ten miles south by west off Old Head of Kinsale, near the entrance of St.

George's Channel. Berlin chose the commander of the U-boats for the most damnable sea-crime in history.

Just here, there is a rumor among U-boat men in Europe that the man for the crime was sent from Kiel with sealed instructions not to be opened till at the spot chosen. With him went "a shadow" charged with a death warrant if the U-boat commander "balked" at the last moment.

#### BERLIN GIVES WARNING

The German officials in Berlin looking ahead—and the Kaiser's statement have a wonderful faculty of foresight—sought to prearrange a palliative for their crime. Their plan, which in itself shows clearly how carefully the Germans plotted the destruction of the *Lusitania*, was to warn Americans not to sail on the vessel.

While the German Embassy in Washington was kept clear of the plot and Ambassador von Bernstorff had argued and fought with all his strength against the designs of the Berlin authorities, he, nevertheless, received orders to publish an advertisement warning neutrals not to sail on the Allies' merchantmen. Acting under instructions, this advertisement was inserted in newspapers in a column adjoining the Cunard's advertisement of the sailing of the *Lusitania*:

## NOTICE!

Travelers intending to embark on the Atlantic voyage are reminded that a state of war exists between Germany and her Allies and Great Britain and her Allies; that the zone of war includes the waters adjacent to the British Isles; that, in accordance with formal notice given by the Imperial German Government, vessels flying the flag of Great Britain or any of her Allies are liable to destruction in these waters and that travelers sailing in the war zone on ships of Great Britain or her Allies do so at their own risk.

*Imperial German Embassy*

*Washington, D. C., April 22d, 1915*

Germans in New York, who had knowledge that German submarines were lying in wait off the Irish coast to "get" the *Lusitania* sent intimations to friends before the sailing of the ship.

The "*New York Sun*" was told of the plot and warned Captain Turner by wireless after the ship sailed. The German secret service in New York also sent warnings to Americans booked on the *Lusitania*. One of the persons to receive such a message signed "morte" was Alfred Gwynne Vanderbilt. Many other passengers got the same warning that the ship was to be torpedoed; but they all laughed at it. They knew she had outrun submarines on a previous voyage and tricked them on another voyage. Besides, before the horrors of this war, optimistic Americans firmly believed the world was a civilized place. It was only after the destruction of the *Lusitania* that many neu-

tral Americans could credit the atrocity stories of Belgium.

### FATEFUL MAY 1, 1915

So when the *Lusitania* backed from her pier in the North River on the morning of May 1, 1915, there was more than the average levity that makes the sailing of an ocean liner so absorbing. On the pier were anxious friends somewhat perturbed by the mysterious whisperings of impending danger. Mingling among them also were men who knew what that danger was, and who had just delivered final instructions to German hirelings on board. On the deck of the great vessel, as she swung her nose down-stream toward Sandy Hook, was not only the man who had promised to see that the false message in code reached Captain Turner, but there also were those two friends, good and true, of von Rintelen's—men who, in the event that the *Lusitania* should run into the appointed place at night, would flash lights from port holes to give a clear aim to the captain of the stealthy submarines.

On board the vessel swinging out past Sandy Hook into the ocean lane were a notable group of passengers, many of them representative Americans of inestimable value to this country. Besides Mr. Vanderbilt, there was Charles Frohman, a talented theatrical producer, who had furnished by his artistic shows genuine amusement to millions; Elbert Hubbard, talented and inspiring



writer; Charles Klein, writer of absorbing plays; Justus Miles Forman, novelist, and Lindon W. Bates, Jr., whose family had befriended von Rintelen. Merchants, clergymen, lawyers, society women, a large list of useful men and women in the 1,254 passengers.

These, added to the crew of 800, made more than 2,000 lives under the care of the staunch, blue-eyed captain. *Of that number, 1,214 were being rushed over the waves to doom.* And as the ship sped eastward, submarines leaving their bases at Cuxhaven and Heligoland clipped their prows under the waves, and made for Old Head of Kinsale on the south coast of Ireland, where they were instructed to pause, upon sealed instructions and obey them to the letter.

Meantime, Berlin, counting almost to the hour when the *Lusitania* would near the British Isles, prepared the exact wording for the false instructions to Captain Turner. This was sent to New York by wireless, where it was put into British code. The next step was to have this message substituted for the British Admiralty's instructions to the *Lusitania*. The inside details of how this substitution was effected—can only be surmised. This secret is buried with the British Admiralty and with the Bureau in Berlin.

#### BERLIN'S DELIBERATIONS

For such intricate action Germany had been preparing with infinite patience both before and

after the war began. Prior to the outbreak, representatives of Germany had started the building of the wireless plant at Sayville, Long Island, by which aerial communication was established with Berlin. After the war began, the equipment of the station was increased, and instead of 35 kilowatt transmitters, 100 kilowatt transmitters were installed, the machinery for tripling the efficiency of the plant having been shipped from Germany *via* Holland to this country. Wireless experts, members of the German navy, also slipped away from Germany to direct the work of handling messages between the two countries.

Everything was in readiness at Sayville, consequently, to catch the directions that were flashed through the air. There was an operator specially trained to take the message coded for the deception of Captain Turner, and send it crackling fatefully through the air. Everything was ready and only the request of the operator on the *Lusitania* for directions south of Ireland was needed. *All this was in violation not only of our neutrality laws, but also in disregard of American statutes governing wireless stations.*

Meantime, the vessel had reached the edge of the war zone decreed by Germany in violation of international law, and Captain Turner sent out his call for instructions. Presently the order came. It was hurried to Captain Turner's stateroom.

Captain Turner, carefully decoding the mes-

sage by means of a cipher book which he had guarded so jealously, read orders to proceed to a point ten miles south of Old Head of Kinsale, and run into St. George's Channel, making the bar at Liverpool at midnight. He carefully calculated the distance and his running time, and adjusted his speed accordingly. He felt assured, because he relied on the assumption that the waters over which he was sailing were being thoroughly scoured by English cruisers and swift torpedo boats in search of German submarines.

#### THE EXPLOSION THAT ROCKED THE WORLD

The British Admiralty also received his wireless message—just as the Sayville operator had snatched it from the air, and despatched an answer. The order from the head of the Admiralty directed the English captain to proceed to a point some 70 or 80 miles south of Old Head of Kinsale and there meet his convoy, which would guard him on the way to port. *But Captain Turner never got that message, and the British convoy waited in vain for the Lusitania to appear on the horizon.*

The *Lusitania* headed northeast, going far away from the vessels that would have protected her. Swiftly she slipped through the waves on the afternoon of May 7. Unsuspecting, the ship moved directly toward certain death. The proud, swift liner steered straight between two submarines, lying in wait.

The details of what happened after the torpedo blew out the side of the great ship have been told—told so fully, vividly, so terribly that they need not be repeated here. As Captain Turner heard the explosion of the torpedo he instantly knew that there had been treachery. He knew he had been decoyed away from the warships that were to escort him to his pier.

The manner in which the captain had been lured to the waiting submarines was made clear at the secret session of the Board of Inquiry that investigated the sinking of the ship. Captain Turner told at the Corner's inquest how he had been warned, supposedly by the British Admiralty, of submarines off the Irish coast, and that he had received special instructions as to course. Asked if he made application for a convoy, he said:

"No, I left that to them. It is their business, not mine. I simply had to carry out my orders to go, and I would do it again."

At the official inquiry, the captain produced the orders which he had received, directing him to proceed southwest of Old Head of Kinsale. The British Admiralty produced its message which had directed Captain Turner to go by an utterly different course. It produced also orders which had been issued to the convoy to meet the *Lusitania*. The orders did not jibe. *They showed treachery, and further investigation pointed to Sayville.*

## AMERICA REVOLTED AND APPALLED

The indignation and the revulsion of Americans against Germany because of the destruction of the *Lusitania* with the appalling loss of life was a surprise to the Kaiser and his war staff. They apparently had believed that the warning contained in the official announcement of Germany, declaring the waters about the British Islands a war zone, and the advertisement published would be sufficient excuse, and that their act would be accepted calmly by America. They were not prepared for Colonel Roosevelt's invective stigmatizing the act as piracy or the editorial denunciation throughout the country. Their effrontery was displayed by one of their agents, who announced that American ships also would be sunk. But this agent's removal from the country and mob violence threatened other agents was emphatic proof of America's state of mind.

Immediately Germany turned as a defense to the argument that the *Lusitania* carried munitions of war and other contraband in violation of the United States Federal statute. But the American laws were quoted to Ambassador von Bernstorff to prove to him that cartridges could be transported in a passenger ship. That argument proved of no avail.

Secretary Bryan's note, written by President Wilson, and forwarded to Berlin, demanded a disavowal of the sinking of the *Lusitania*, an apology and reparation for the lives lost. But

Germany sought to parley with a reply that would lay the blame on Great Britain, charging that the *Lusitania* had been an armed auxiliary cruiser, requested an investigation of these alleged facts, and refused to stop her submarine warfare until England changed her trade policy. But this note again aroused the wrath of Americans.

### LIES AND DECEIT

German secret agents began to manufacture evidence to support the Kaiser's contentions. Here a hireling of Boy-Ed looms as an obedient servant of the naval attaché, whether he knew all the facts or not. It was Koenig, who, using the alias of Stemler, obtained from Gustave Stahl an affidavit to the effect that he had seen four fifteen-centimeter guns on the decks of the *Lusitania* before she left port on her ill-fated voyage. There were three other supporting affidavits. All these documents were handed to Boy-Ed on June 1, 1915, and the following day were in the hands of von Bernstorff, who turned them over to the State Department in Washington.

It required but little work on the part of Federal agents to establish the untruth of Stahl's affidavit. Stahl, a German reservist, appeared before the Federal Grand Jury where he again repeated his lies. He was indicted for perjury and upon a plea of guilty was sent to the Federal prison at Atlanta.

It was Koenig who had hidden Stahl away after the latter had made his affidavit, and it was Koenig who, at the command of the Federal authorities, produced him.

So here again Germany's efforts to deceive and to palliate her piratical act came to naught, and left her even more damned before the world. Time came within a few days for President Wilson to reject forcibly the flimsy defense made by Germany, but before that note was drafted, the United States authorities by a thorough investigation of Sayville, and a scrutiny of the German naval officers employed there, discovered that the fake code message that drove the *Lusitania* to her grave in the sea had been flashed out from neutral territory; that the conspiracy had been developed in America, though the details were not obtainable at that time as they are presented here.

President Wilson was determined to demand the absolute safety for Americans at sea. Though Bryan resigned, Mr. Wilson sent a note, asserting that the *Lusitania* was not armed, and had not carried cargo in violation either of American or international law. The action of Bryan weakened the position of America in demanding a cessation of Germany's submarine warfare. It gave encouragement to Austria, after Germany had promised to obey international law, to try a series of similar evasions. It gave impetus to Germany's plans to make a settlement of the

submarine controversy and to try to divide Congress on the issue.

The loss to America was 113 lives and a great amount of prestige; to Germany, a tremendous amount of sympathy. But through it all stand out the pictures of secret agents, boasters, schemers and reckless adventurers, one of whom, having aided in the sinking of the *Lusitania* and the drowning of hundreds of her passengers and crew, had still the audacity to dine on the evening of this ghastly triumph at the home of an American victim. One agent high in international affairs, overcome by the force of the tragedy done in answer to the Kaiser's bidding, had still enough decency left to remark:

"Oh, what foul work!"



## CHAPTER IX

### DR. HEINRICH F. ALBERT, GERMANY'S BAGMAN AND BLOCK- ADE RUNNER

**A**ND tell him that the struggle on the American front is sometimes very hard."—Dr. Albert.

To outwit John Bull on the high seas by running his blockade is a big task. To compete against the combined commercial generals of England, Russia, France and Italy in seeking trade in the Americas is a still larger undertaking. But for one man to attempt both, while incidentally keeping tab on the industrial growth of the United States and being a big factor in Germany's spy system, seems like a pygmy grappling with a Hercules. The qualities requisite for the man who would accept such a battle are diplomatic finesse of the highest degree, strength compared to one of America's kings of industry, a vast economic knowledge, the shrewdness of a Yankee and the cleverness of the Kaiser's ablest strategist. Yet the responsibilities of such a manifold enterprise, romantic in its infinite details and its bigness, were assumed by one German.

You could find him almost any day until the break with Germany in a small office in the Hamburg-American Building, the Kaiser's beehive of secret agents, at No. 45 Broadway, New York. He was a tall, slender man, wonderfully supple-looking in spite of the conventional frock coat and the dignified dress of a European business man. His clear, blue eyes, his smooth face, thoughtful and refined, his blonde hair, and his regular features suggested a man of 38, or even younger, though you would look for a middle-aged or older man as selected for a position requiring so many nice decisions. When you entered his room—and few persons gained admission—he would rise and bow low and most courteously, speak in a soft, melodious voice, was deliberate in the choice of his words and encouraged conversation rather than make it. He was the quintessence of politeness, and, in fact, in marked contrast to the clear-cut, energetic, brusque, American business man—a smooth polished cog in the steel machinery of Prussian militarism.

Yet this man was the center of Germany's business activities in America. Upon him has rested the task of spending between \$2,000,000 and \$3,000,000 a week for the German Government in the purchase of supplies and in propaganda. His expenditures in furthering the cause has cost him thirty millions of dollars outside the vast amounts spent in the purchase of sup-

plies, and he admits he wasted a half-million or more dollars.

He was Dr. Heinrich F. Albert, privy counselor to the German Embassy and fiscal agent in America for the German Government. He was the source of the funds used by the representatives of Germany, her secret diplomatic and consular agents. He was the channel through whom money flowed from the Imperial exchequer—unwittingly it may have been on his part—to men who, in the interest of Germany, have violated American laws.

His job was a big one because this war has demanded the help of industry, as no other previous war. Just as it has resolved itself into an enormous race between the industries of the combating nations in turning out shells and arms, so Geheimrath Albert's duties became all the more multitudinous, really a part of the great conflict itself.

Dr. Albert had just as important work as his colleagues, the military and naval attachés, but in a different field. With industrial preparedness of greater importance in this than in any other war it is natural that the commercial attaché and his staff of agents should prove a most important asset to Germany's secret service in America. Geheimrath Albert's duties in the economic field have been bound inextricably with the aims of the Fatherland's secret service. While directing and financing the collection of data

for use in the preparation of reports to the home government, he has also worked side by side with the other representatives of his Government.

#### THE EQUIPMENT OF A COLOSSUS

Albert was equipped for the gigantic task, as few men in the world have been equipped. He knew finance, the economy of industry, the finesse of diplomacy and the odd, yet scientific twists of the inventor's mind. He had been trained in the things that interested kings and the problems that appealed to the laboring man. His field of knowledge was broad, for in preparation for his tasks he had to seek the best commercial, banking, industrial methods and inventions of the world to help Germany. So successful was he that his friends have termed him "The German Yankee."

Around no German official in America has there hovered so much mystery. A great bulwark of Germany's propaganda—though no participator in any illegal or criminal acts—has been charged against him, he might have remained the greater part of the war under cover had it not been for the activity of secret service agents and for a little nap which Geheimrath Albert, the courteous and overworked, took upon an elevated train one day. When he awoke, his dossier was gone. That portfolio contained a mass of wonderfully illuminating documents, so many and so varied that if the privy councilor is accus-

tomed to take up in one day so many diverse matters it almost staggers the imagination to try to conceive of the tasks which this war brought him. Through them public and official attention was fastened upon him, serving to deepen the folds of mystery about him. Through them the public in America first learned of the vastness of German propaganda. Dr. Albert lost his portfolio in August, 1915.

In the quietness of his little office above humming Broadway and within calling distance of the gold-lined Wall Street into which he so constantly pried, Geheimrath Albert discussed momentous economic problems with Germany's other big men. In the German Club in the evenings he continued those consultations. In trips to Washington and Chicago and New Orleans and San Francisco, and he and his agents conferred with big German business men.

His close confidant was Count von Bernstorff, with whom he had a joint account of several millions of dollars in the Chase National Bank, New York. His two active colleagues were Captain von Papen and Captain Boy-Ed. The association with these men must have been very close and keen; for on von Papen's recall Dr. Albert wrote him: "I shall feel your departure most keenly; our work together was excellent and was always a great pleasure to me. I hope that in the Fatherland you will have an opportunity for making use of your extraordinary talent in deal-

ing with economic questions. When I think of your and Boy-Ed's departure and that I alone remain behind in New York, I could—well, better not!"

Dr. Albert learned the output of the steel industries and the financial connections of the big corporations. He had accurate information about the electrical manufacturing concerns in this country, their output, their inventions, the ability and the accomplishments of the engineers at the head of those plants, their training and personal history. He knew all about America's transportation systems, their financial strength and the real mechanical and constructive ability of the scientific men connected with those systems. His information was as broad as his American activities. Suffice it to say that it was Dr. Albert's business to get these facts—and he did so.

#### HIS VIEW OF THE FUTURE

How Dr. Albert looked to the future is set forth in a report which was prepared for him on June 3, 1915, by a trade representative in the German General Consulate, New York, on the effect of the British embargo. This document, compiled by a scientist, was undoubtedly only one of hundreds of such instruments worked out by Germans in this country for the help of the Fatherland. In this paper the writer, named Waetzoldt, says:

"There can be no doubt that the British Gov-

ernment will bring into play all power and pressure possible in order to complete the total blockade of Germany from her foreign markets, and that the Government of the United States will not make a strenuous effort to maintain its trade with Germany. \* \* \*

"It has been positively demonstrated during this time that the falling off of imports caused by the war in Europe will in the future be principally covered by American industry. \* \* \*

"The complete stopping of importation of German products will, in truth, to a limited extent, especially in the first part of the blockade, help the sale of English or French products, but the damage which will be done to us in this way will not be great. \* \* \*

"The *Lusitania* case did, in fact, give the English efforts in this direction a new and powerful impetus, and at first the vehemence with which the anti-German movement began anew awakened serious misgivings, but this case also will have a lasting effect, which, unless fresh complications arise, we may be able to turn to the advantage of the sale of German goods. \* \* \*

"The war will certainly have this effect, that the American business world will devote all its energy toward making itself independent of the importation of foreign products as far as possible. \* \* \*

"If the decision is again brought home to German industry it should not be forgotten what position the United States took with reference to Germany in this war. Above all, it should not be forgotten that the 'ultimate ratio' of the United States is not the war with arms, but a complete prohibition of trade with Germany, and,

in fact, through legislation. That was brought out very clearly and sharply in connection with the still pending negotiations regarding the *Lusitania* case."

Dr. Albert received among many reports one giving an analysis of the trade here in war materials:

"The large war orders, as the professional journals also print, have become the great means of saving American business institutions from idleness and financial ruin."

"The fact that institutions of the size and international influence of those mentioned could not find sufficient regular business to keep them to some extent occupied, throws a harsh light upon the sad condition in which American business would have found itself had it not been for the war orders. The ground which induced these large interests to accept war orders rests entirely upon an economical basis and can be explained by the above-mentioned conditions which were produced by the lack of regular business. \* \* \* These difficulties resulting from the dividing up of the contracts are held to have been augmented, as stated in business circles, by the fact that certain agents working in German interest succeeded in further delaying and making worse American deliveries. \* \* \*

"So many contracts for the production of picric acid have been placed that they can only be filled to a very small part."

#### A MAN OF MYSTERY

Naturally one of the most vital problems that stirred Dr. Albert was the British Order in Coun-



cil in regard to the blockade of Germany from which resulted the seizure of meat and food supplies and cotton by British war vessels. He was always on the alert for information as to what was the attitude of the Administration and the people of the United States toward the blockade. That he used secret and perhaps devious means to get it is revealed by a confidential report which he received under most mysterious circumstances concerning an interview by a man referred to as "M. P." with President Wilson and Secretary Lansing. "M. P.," according to the conversation, claimed to have received from the President "a candid, confidential statement in order to make clear not only his own position but also necessarily the political opportunity." A striking part of this conversation follows:

"L. advises regarding a conference with M. P. Thereafter M. P. saw Lansing as well as Wilson. He informed both of them that an American syndicate had approached him which had strong German relations. This syndicate wishes to buy up cotton for Germany in great style, thereby to relieve the cotton situation, and at the same time to provide Germany with cotton. The relations of the American syndicate with Germany are very strong, so that they might even possibly be able to influence the position of Germany in the general political question. M. P. therefore asked for a candid, confidential statement in order to make clear not only his own position, but also

necessarily the political opportunity. The result of the conversation was as follows:

"1. *The note of protest to England will go in any event whether Germany answers satisfactorily or not.*

"2. *Should it be possible to settle satisfactorily the Lusitania case, the President will bind himself to carry the protest against England through to the uttermost.*

"3. *The continuance of the difference with Germany over the Lusitania case is 'embarrassing' for the President in carrying out the protest against England.* \* \* \*

"4. A contemplated English proposal to buy cotton in great style and invest the proceeds in America would not satisfy the President as an answer to the protest. \* \* \*

"5. The President, in order to ascertain from Mr. M. P. how strong the German influence of this syndicate is, would like to have the trend of the German note before the note is officially sent, and declares himself ready, before the answer is drafted, to discuss it with M. P., and eventually to so influence it that there will be an agreement for its reception, and also to be ready to influence the press through a wink.

"6. As far as the note itself is concerned, which he awaits, so he awaits another expression of regret, which was not followed in the last note. Regret together with the statement that nobody had expected that human lives would be lost and that the ship would sink so quickly.

"The President is said to have openly declared that he could hardly hope for a positive statement that the submarine warfare would be discontinued."

## WHAT HIS SECRET CORRESPONDENCE REVEALED

Dr. Albert also was in close communication with the American branches of German industries. This fact is apparent from secret correspondence found in his dossier, showing how after much deliberation and consultation a group of German representatives in America forbade the American branch of a German firm to fill a Russian war order. This correspondence shows that the American branch first sought information as to whether or not it should fill the order either as a means of making money or secondly as a means of delaying the Russian Government in getting the material. One of the Embassy staff wrote suggesting that the Ambassador approve of the acceptance of the order as a means of hindering the Allies. After a conference it was reported:

"In my opinion it would be hazardous for your firm to ship locomotives, cars, or wheels to Russia. All these transportation means would lighten the transport of troops, ammunition and provisions for the Russian Government, and your firm would, within the meaning of Paragraph 89 of the (German) Penal Code, be rendering aid to the enemy thereby. \* \* \* That you are in a position to delay the delivery of the order to the prejudice of the hostile country ordering them will in no measure relieve you from liability."

## GERMANY IN THE STOCK MARKET

When it appeared that the Kaiser would not yield to demands made by the President, the

prices of stocks went down and Germans bought stocks cheaply. After they loaded up a liberal supply, word would come that Germany was yielding and the stock market would become buoyant, thus allowing the German group to sell hundreds of thousands of shares on a substantial profit. *There is absolutely no doubt that as a result of every crisis the German Government realized millions of dollars in the market.*

An instance of how Dr. Albert had opportunity to get into the market is revealed in a secret letter written to Dr. Albert on July 8, 1915, by a well-known Board of Trade German in Chicago, and associated with a group of German traders. In this letter he refers to Dr. Albert's "principal," presumed to be no other than the German Government or the Kaiser himself. His letter says:

"Provisions have been horribly depressed by severe liquidation. We firmly believe that purchase of September lard will make your principal a great deal of money. September lard closes tonight at \$8.65. This, with high freight added, will cost under 10 cents delivered Hamburg, where actual prices are around 35 cents per pound.

"I do not want to appear overpersistent, but there never was a better proposition than buying this cheap lard for September delivery."

One of Dr. Albert's functions was to sift this commercial information and make recommendations to Berlin. He would confer with his co-

workers on all military and naval matters having a commercial phase. That he did so is proved by the reports which they made and which went to Dr. Albert for his consideration and further recommendation. Captain von Papen, on July 7, 1915, submitted to Dr. Albert a memorandum headed, "Steps Taken to Prevent the Exportation of Liquid Chlorine" in which he tells of the efforts made by England and France to buy that chemical in America, tells of the output here, and the firms turning it out.

### THE SHIP PLOTS

Another matter of importance to which he gave thought was the problem which had been in every German mind and mouth since the beginning of the war, namely the prevention of the shipment of war supplies to the Allies. A letter mailed to Dr. Albert from Chicago under date of July 22, 1915, sets forth how zealously his agent was working on an embargo conference with the aim of arousing sentiment in this country against the export of arms and ammunition. The letter says that he had obtained the co-operation of a United States Senator, a Congressman and other Americans in this project.

One letter from Albert's agent runs thus:

"I must refrain from communicating the above facts in my report to the Ambassador, as the matter could be too easily compromised thereby. Perhaps you will find an opportunity to inform

Count von Bernstorff verbally. As soon as the matter has first gained more headway, I believe Mr. von Alvensleben, who has taken part in the whole development here, will come to New York in order to inform the Ambassador fully regarding prevailing frame of mind here as well as regarding the movement, provided, however, that is desired."

Letters from Detroit suggested a plan for a general strike of the automobile workers in that city as a mighty protest against shipment of arms. The strike would cost about \$50,000.

#### NEWSPAPER PROPAGANDA

To Dr. Albert also was assigned the task of studying sentiment in this country regarding the war and taking steps to influence it in favor of Germany—in other words, highly paid press work. Through Dr. Albert arrangements also were made for many German professors, either in Germany or connected with American institutions, to give up their occupations as teachers and devote themselves in America exclusively to lectures before high-class audiences. In these talks the speakers devoted themselves to showing the friendly relations between Germany and the United States, the similar aims of both countries in industry and international affairs, and to argue for the cordial support of Germany's cause.

A complete organization was tabulated of journalists throughout the country who were sympathetic with the German cause. These men re-

ceived news for publication in various papers, also instructions. By the aid of these men a vast amount of information was gathered and shunted along to Dr. Albert. In addition Dr. Albert gave consideration to still more elaborate plans for the purchase of newspapers, the starting of news syndicates and information bureaus which, apparently neutral, should be secretly allied with the German cause and supported by German money. These facts were shown by a number of papers bearing on publicity and methods of acquiring it which were found in his dossier. The papers show that in one instance he was subsidizing a weekly paper and that in return he demanded a certain policy.

The following letter throws some light on the subject:

"I request the proposal of a suitable person who can ascertain accurately and prove the financial condition of your paper. From the moment when we guarantee you a regular advance, I must—

"1. Have a new statement of the condition of your paper.

"2. Practice a control over the financial management.

"In addition to this, we must have an understanding regarding the course in politics which you will pursue, which we have not asked heretofore. Perhaps you will be so kind as to talk the matter over, on the basis of this letter with ———."

Plans for the purchase of an English daily in New York which would support the German cause were worked over at length by Dr. Albert and his assistants. Proof also that Dr. Albert and his associates contemplated the creation of news bureaus in New York and Berlin which would furnish and disseminate throughout the United States news favorable to the German Government is given in the memorandum prepared apparently by an expert newspaper man, outlining the plan and cost of organization and giving certain suggestions.

Dr. Albert gave consideration to the suggestion of paying the expenses of American newspaper men who would go to Germany and send back articles favorable to the German cause. He did so under orders from von Bethmann-Hollweg, the German Imperial Chancellor, who caused one of his aids to write to the German Ambassador a letter suggesting that certain journalists be invited to visit Germany.

#### EFFORTS TO OUTWIT THE BRITISH BLOCKADE

Varied and important as were these various duties, already mentioned, still the paramount task to which Dr. Albert devoted himself was a scheme to outwit England's blockade of Germany. This tall, silent man, working in his little office was concerned with the purchase of millions and millions of dollars worth of supplies—cargo after cargo—for shipment to Germany, direct or



through neutral countries. In this campaign he used every means of deceiving the enemy that were in his power.

Let it be said that this is meant as no reflection on Dr. Albert. In war one nation may establish a blockade and the other nation will attempt to run it. International lawyers agree that one nation has a right to establish such a blockade. If the ship owner obtains ingress to the port he makes big profits by the sale of his goods but if he is caught by the other belligerent he loses his ship and cargo. It is a gamble.

It has already been established as a part of international law, through decisions of Lord Stowell in England more than a century ago and of the United States Supreme Court during the Civil War, that if it can be shown that shipments of supplies to a neutral country are really designed for transshipment to a belligerent, then the enemy has a right to seize and confiscate those goods.

After the Orders in Council were issued by England, Dr. Albert sought first to make the embargo unpopular in America. Letters and other documents in his dossier show that plans were submitted to him for stirring up sentiment in this country against what was denounced by pro-Germans as arbitrary seizures on the part of Great Britain. For instance, Edward D. Adams of 71 Broadway, New York, who for many years was a representative in that city of the Deutsche

Bank, sent a letter to Dr. Albert in which he makes the following suggestion:

“The South politically is of very great importance to the Democratic Party and to the reelection of its representatives at our next Presidential election. The Cabinet and Congress have represented in them Southern men to a considerable number who are keenly alive to the importance of keeping the Democratic Administration in close touch with the Southern voters, and it takes such action from time to time as will secure their sympathy and support.”

Likewise plans were worked out for the arousing of the meat packers in Chicago to protest to Washington over the seizure of meat ships bound for Germany by way of neutral ports.

German representatives studying public sentiment in this country also suggested to Dr. Albert that indignation against Great Britain could be aroused by making it appear as if the British blockade was hurting America in preventing the receipt here of various non-contraband articles from Germany. One associate wrote to Dr. Albert:

“From a German standpoint, the pressure on the American Government can be strengthened by the interruption of deliveries from Germany even if the British Government should permit exception. Those shipments especially should be interrupted which the American industries so badly require; withholding of goods is the surest means of occasioning the placing before the Administration in Washington of American inter-

ests. Those protests have the most weight which come from American industries which employ many workmen."

In the early months of the war Dr. Albert was a buyer of enormous supplies of cotton, wheat, copper, lubricating oil and other articles needed by Germany for the prosecution of the war. He signed contracts for meat and other supplies amounting to millions of dollars and he made payment the moment the ships were loaded here so that the American seller got his money regardless of what happened to the cargo while on the high seas. Of course, after the German Government seized all food supplies, the British Government took the attitude that all food supplies bound for Germany were intended for the Government and were therefore contraband. In the next place all purchases of food or other material by Dr. Albert as the official representative of the German Government made them Government supplies and therefore contraband of war. The moment the British Government discovered that these articles were purchased by Albert, no matter whether they were bound for neutral countries, or not, England argued she was justified in seizing the ships and confiscating them. But as a fact, England paid the American shippers in most instances.

All the facts in the vast scheme mapped out by Dr. Albert for outwitting John Bull's blockade, have been developed by the Attorney-General of

England and set forth in the prize courts there. It has been shown that Albert backed the purchase of cotton by the shipload, that he acquired vessels under neutral flags for carrying these cargoes to neutral countries. He spent millions of dollars in the purchase of meat. For instance, Dr. C. T. Dumba, Austro-Hungarian Ambassador, writing to Baron Burian from New York, tells of an interview in Chicago with a beef packer.

"No fewer than thirty-one ships, with meat and bacon shipments from his firm to Sweden with a value of \$19,000,000 have been detained," he says, "in British ports for months under suspicion of being ultimately intended for Germany. The negotiations have been long drawn out, because Mr. Meagher and his companion will not accept a lame compromise, but insist on full compensation or release of the consignments in which the bacon may still remain sound."

#### A TWO-FACED PROPAGANDIST

Dr. Albert issued a statement which purports to be a complete reply to the charges in regard to a secret German propaganda in the United States. He said that the purchase of ammunition plants in this country was justifiable, argued for an embargo on arms and ammunition, charged Great Britain with piracy on the high seas, denied that the German Government financed press agents, and asserted that the German Govern-

ment had not started any undercover newspaper campaign in this country. He said it was inevitable that all sorts of wild and irresponsible offers, proposals and suggestions should be addressed from every conceivable quarter to one holding the official position in which he was placed as an accredited agent of one of the great nations engaged in this unfortunate world-wide war. He referred to the strike letters as junk and said that he should not be held responsible for every crank that wrote him a letter.

That statement was for the American public. Dr. Albert's real sentiments are shown vividly in a letter which he wrote to Captain von Papen from San Francisco after the announcement of the President's decision to send the military attaché out of the country. Here is part of it:

"Well, then! How I wish I were in New York and could discuss the situation with you and B. E.! Many thanks for the telegram. The 'Patron' also telegraphed that I was to continue the journey. So we shall not see each other for the present. Shall we at all before you leave? It would be my most anxious wish; but my hope is small. For this time, I suppose, matters will move more quickly than in Dumba's case. I wonder whether our Government will respond in a suitable manner! In my opinion, it need no longer take public opinion so much into consideration, in spite of its being artificially and intentionally agitated by the press and the legal proceedings, so that a somewhat 'stiffer' attitude would be desirable, naturally quiet and dignified!

"If you should leave New York before my return, we must try to come to some agreement about pending questions by writing. Please instruct Mr. Amanuensis Igel as precisely as possible. You will receive then in Germany the long-intended report of the expenses paid through my account on your behalf. I would be very thankful to you if you would then support the question of a monetary advance which you know of, although I know that I was mistaken in my opinion, that I acted as your representative and according to your wishes."

When all the work of Dr. Albert is summed up and taken into consideration with his propaganda in association with Captain von Papen and Captain Boy-Ed, the impression remains that he, a guest of the United States, was immersed in plans that were aimed at the honor and integrity of this republic.

## CHAPTER X

### AMBASSADOR DUMBA, GERMANY'S CO-CONSPIRATOR

**I**F I wanted to flatter the American people, I would make a statement before my departure, but I say nothing."

This was the sentiment of Dr. Constantin Theodor Dumba, veteran diplomat and Austro-Hungarian Ambassador at Washington, just after he had received his passports from Secretary of State Lansing. He was dismissed from this country in September, 1915, because of his pro-Teutonic activities, which were adjudged by the State Department to amount to interference with the internal affairs of the nation.

The diplomat, regarded at the time as the ablest in Washington, did not relish the notoriety of being the ninth diplomat to be expelled from America; and, when questioned by reporters on the eve of his departure, he revealed the acrid feeling regarding Americans which his wonted suavity and self-control hitherto had enabled him to conceal. The next day, however, he did unbend to the extent of saying something about "wonderful United States"—and then sailed away.

Dumba, master of intrigue and remorseless in the attempted execution of any scheme that he regarded as beneficial to the welfare of his country, had been the supervising authority of the Austro-Hungarian espionage system in America, which was linked almost chain for chain with the German machinery. The joint activity of the German and the Austrian organizations was aimed at the same end as those described in connection with the duties of the German agents and their executives. He had as his active assistants, Baron Erich Zwiedinek von Sudenhorst, counsellor to the Austrian Embassy, and after the dismissal of Dumba, Charge d'Affaires; Dr. Alexander Nuber von Pereked, Consul-General in New York, and several other Austrian consuls throughout the country. He is said to have been the originating genius of many of the ideas which the German agents tried to put into effect.

The charges against him are based on a series of exposures concerning the secret propaganda in which Dr. Dumba participated and concerning which evidence was gathered by the Secret Service and the Department of Justice. They rest on secret diplomatic messages which Dr. Dumba wrote and entrusted to Captain James F. J. Archibald, an American, travelling in August, 1915, on the steamship *Rotterdam* for Holland, whence he expected to confer with the Foreign Offices of both Germany and Austro-Hungary. Those documents were captured by the British



and turned over to the American authorities. They expose much the same sort of illicit activity as set forth in German documents.

#### MORE PASSPORT FRAUDS

Attorney-General Gregory caused a thorough investigation of these documents and also of von Nuber's office in New York. Many consular employes were taken before the Grand Jury and practically every member of the Consulate, excepting von Nuber and his immediate associates, was rounded up one night in the office of Superintendent Offley in New York. They were questioned, and they gave much information.

Baron Zwiedinek was a busy person at the summer Embassy at Manchester-by-the-Sea after the outbreak of the war. Hundreds of Austro-Hungarian reservists were bobbing up at various consulates and registering, eager for directions and for means of getting back to their country. Evidently, these matters came under his jurisdiction, for he wrote the following letter to von Nuber:

"Manchester, A. M., 24 August, 1914.

"To the Imperial and Royal Consulate General in New York:

"On the 21st inst. the Imperial and Royal Embassy received the following telegram from the Imperial and Royal Consulate in San Francisco:

"Nine employes arrived here on the steamer

*Yokohama* seek transportation New York at expense of State. Beg for telegraphic instruction whether Consulate should pay traveling expenses. Stay here would cause embarrassment.'

"The Embassy has instructed the Consular office mentioned to send these employes to New York. Thereupon the following telegram of the 22d arrived:

" 'Attaché Hanenschild, Interpreter Nanternatz, Embassy, Tokio, as well as six employes journeyed onward.'

"Since the Imperial and Royal Embassy is of the opinion that it is a patriotic duty of the reservists to do their utmost to reach the monarchy, will the Imperial and Royal Consulate please make all efforts in this connection to discover the proper transportation facilities for these employes who are shortly to arrive. Perhaps it would be possible also to produce suitable passports of neutral countries at comparatively slight expense.

"Concerning that which is done in this connection please report in due time.

"For the Imperial and Royal Embassy,

"ZWIEDINEK."

When that letter was shown to Baron Zwiedinek by Secretary of State Lansing, he admitted the authenticity of the signature, but denied he remembered anything of its contents. He explained that it was probably dictated by a clerk, and that in his haste he signed it without reading it. He also disclaimed any responsibility for it

on the ground that Dr. Dumba was at the date of the letter the Austro-Hungarian Ambassador.

### MUNITION PLOTS

Part of the schemes considered and recommended by Ambassador Dumba to prevent the exportation of war munitions from the United States is set forth in the secret communications which he gave to Captain Archibald to carry to Baron Burian, Austrian Foreign Minister. The first document discusses the diplomatic efforts that have been made toward that end, deprecates the arguments put forth by the State Department in declining to take any action to forbid the export of war munitions.

"The true ground for the discouraging attitude of the President," wrote Dumba, "lies, as his confidant, Colonel House, already informed me in January, and has now repeated, in the fact that authoritative circles are convinced that the United States in any serious crisis would have to rely on foreign neutral countries for all their war material. At no price, and in no case, will President Wilson allow this source to dry up.

"For this reason I am of the opinion that to return to the question whether by a reply from Your Excellency or by a semi-official conversation between myself and the Secretary of State would not only be useless, but even, having regard for the somewhat self-willed temperament of the President, would be harmful."

Dr. Dumba's plans for causing strikes in muni-

tion factories in the United States are related by himself in the following official document which he sent to Baron Burian:

“New York, August 20.

“Your Excellency: Yesterday evening Consul General von Nuber received the enclosed *aide memoire* from the chief editor of the local influential paper Szabadsag, after a previous conversation with me in pursuance of his verbal proposals to arrange for strikes at Bethlehem in Schwab's steel and munitions factory and also in the Middle West.

“Archibald, who is well known to your Excellency, leaves to-day at 12 o'clock on board the *Rotterdam* for Berlin and Vienna. I take this rare and safe opportunity of warmly recommending these proposals to your Excellency's favorable consideration. It is my impression that we can disorganize and hold up for months, if not entirely prevent, the manufacture of munitions in Bethlehem and the Middle West, which, in the opinion of the German military attaché, is of great importance and amply outweighs the comparatively small expenditure of money involved.

“But even if strikes do not come off it is probable that we should extort under pressure more favorable conditions of labor for our poorly downtrodden fellow countrymen in Bethlehem. These white slaves are now working twelve hours a day, seven days a week. All weak persons succumb and become consumptive. So far as German workmen are found among the skilled hands means of leaving will be provided immediately for them. Besides this, a private German registry office has been established which provides em-

ployment for persons who voluntarily have given up their places. It already is working well. We shall also join in and the widest support is assured us.

"I beg your Excellency to be so good as to inform me with reference to this letter by wireless. Reply whether you agree. I remain, with great haste and respect,

"DUMBA."

### PLANS FOR STRIKES

The enclosure, or "*aide memoire*," written in Hungarian outlines the scheme which the diplomat recommended.

"I must divide the matter into two parts, Bethlehem and the Middle West business" (says this paper), "but the point of the departure is common in both, viz., press agitation, which is of the greatest importance as regards our Hungarian-American workmen. It means a press through which we can reach both in Bethlehem and in the West. In my opinion we must start a very strong agitation on this question in *Freedom* (Szabadsag), the leading organ, in respect to the Bethlehem works and the conditions there. This can be done in two ways and both must be utilized.

"In the first place, the regular daily section must be devoted to the conditions obtaining there, and a campaign must be regularly conducted against these indescribably degrading conditions. *Freedom* already has done something similar in the recent past, when the strike movement began at Bridgeport. It must necessarily take the form

of strong, deliberate, decided and courageous action.

"Secondly, the writer of these lines would begin a labor novel in that newspaper much on the lines of Sinclair's celebrated story. This might be published in other local Hungarian, Slovak and German newspapers. The *Nepszava* (Word of the People) will undoubtedly be compelled willingly or unwillingly to follow the movement initiated by *Freedom*, for it is pleasing the entire Hungarian element in America, and is an absolutely patriotic act to which that open journal, the *Nepszava*, could not adopt a hostile attitude. Of course, it would be another question to what extent and with what energy and devotion that newspaper would adhere to this course of action without regard to other influences, just as it is questionable to what extent other local patriotic papers would go. There is a great reason why, in spite of their patriotism, American-Hungarian papers hitherto have shrunk from initiating such action."

"In these circumstances the first necessity is money.

"Bethlehem must be sent as many reliable Hungarian and German workmen as we can lay our hands on, who will join the factories and begin their work in secret among their fellow workmen. For this purpose I have my men, roll-turners and steel workers. We must send an organizer who in the interests of the union will begin the business in his own way. We must also send so-called 'soapbox' orators who will know how to start a useful agitation. We shall want money for popular meetings, possibly for

organizing picnics. In general, the same applies to the Middle West. I am thinking of Pittsburg and Cleveland in the first instance, as to which I could give details only if I were to return and spend at least a few days there. I already have shown that much can be done with the newspapers. We must stir up the men's feelings in Bethlehem. A sensation was caused by the articles which appeared at the time of the strike at Bridgeport. They brought Bethlehem into the affair.

"It is evident that the start of a movement from which serious results are to be expected requires a sufficiency of money at the very start. The extent of subsequent expenditure for the most part depends on the work effected. For example, the newspapers must not receive the whole sum intended for them all at once, but only half. To union agitators only a certain amount should be given at first, and a larger sum in case of success or of a serious strike on the formation of the union. It is my opinion that for the special object of starting the Bethlehem business and the Bethlehem and Western newspapers campaign \$15,000 to \$20,000 must be at our disposal, but it is not possible to reckon how much ultimately will be required.

"When a beginning has been made, it will be possible to see how things develop and where and how much it will be worth while to spend. The above mentioned preliminary sum would suffice partially to satisfy the demands of the necessary newspapers and to a considerable extent those of the Bethlehem campaign. If circumstances are lucky and leadership is good, we can arrive at positive results in the West comparatively

cheaply, whereas Bethlehem is one of the most difficult jobs.

"I will telephone at 8 A. M., and request you then to let me know where and when I can learn your opinion of my proposal, which requires a considerable amount of verbal exposition. Finally, I make bold to point out the fact that hitherto I have said nothing on the subject to any one connected with the newspapers, and am in the fortunate position that in the case of giving effect to the plan I can make use of names in case of necessity, for I have already in other matters made payments through other individuals. In any event, in the case of the newspapers the greatest circumspection is necessary. No one but the proprietor must know that money is coming to the undertaking from any source."

#### EXIT DUMBA

Following the receipt of those documents by the State Department, Dr. Dumba and Secretary Lansing were in conference. The Ambassador admitted he had written the letter, and had consigned it to the care of Captain Archibald. He defended his course on the ground that he was under orders from his home government, and that he wished to prevent Austro-Hungarian workmen from committing high treason by helping turn out munitions for the Allies. President Wilson, however, insisted on the Ambassador's recall, and Secretary Lansing, in his note to Austro-Hungary, made these charges against Dr. Dumba:

"By reason of the admitted purpose and intent



of Mr. Dumba to conspire to cripple legitimate industries of the United States and to interrupt their legitimate trade, and by reason of the flagrant violation of diplomatic propriety in employing an American citizen, protected by an American passport, as a secret bearer of official despatches through the lines of the enemy of Austria-Hungary, the President directs us to inform your Excellency that Mr. Dumba is no longer acceptable to the Government of the United States as the Ambassador of his Imperial Majesty at Washington."

After the departure of Dr. Dumba, Baron Zwiedinek and von Nuber began a series of advertisements in racial newspapers, calling the subjects of Austro-Hungary out of the munition factories. If any workman wrote him regarding the matter, he sent a reply in which he said: "It is demanded that patriotism, no less than the fear of punishment, should cause every one to quit his work immediately."

## CHAPTER XI

### GERMANY'S LOBBY IN CONGRESS

**P**RESIDENT WILSON said in part in his Flag Day address in June, 1916:

"There is disloyalty in the United States, and it must be absolutely crushed. It proceeds from a minority, a very small minority, but a very active and subtle minority. \* \* \* If you could have gone with me through the space of the last two years and could have felt the subtle impact of intrigue and sedition, and have realized with me that those to whom you have entrusted authority are trustees not only of the power but also of the very spirit and purpose of the United States, you would realize with me the solemnity with which I look upon the sublime symbol of our unity and power."

The President in those few words summed up the conspiracies of the Teutonic Powers aimed at the integrity of the United States. When he made his charge, he had back of him a vast amount of evidence which never has been and never will he made public. *He had as proof the details of Germany's scheme to control the Congress of this nation and to manipulate it in a manner that would have rendered not only the legislative bodies an absolute check to the administrative*

*functions of the Government but would have dictated the course of the Republic in international affairs just as if the United States were a dependency of the Fatherland.*

#### DISLOYAL CITIZENS

“The subtle and active minority” to which the President made such a sensational reference is a group of Americans—German-Americans swayed by sentiment for Germany and Americans influenced by gold—who have been following the dictation of Teutonic agents in America. They have received orders and sought to carry them out. They have been puppets that worked and argued in the interest of the Central Powers when certain men pulled the strings. They have been active workers in carrying out clever political policies and agitations that were part of schemes devised in Berlin to benefit Germany against her enemy. True, there have been faithful American citizens who have sided with Germany’s arguments—and their loyalty cannot be questioned—but *there have been citizens who knowingly worked with German agents against the best interests of the nation.* When a man strives and schemes with foreign agents against the honest endeavors of an American official, who is seeking to execute the law, he is guilty not only of disloyalty but of sedition.

From the outset of the war Teutonic agents intrigued to get their clutches upon the Federal

legislative body. They schemed to use it as an obstacle to any move by the President. They sought legislation that would prevent the shipment of munitions from this country, that would have prevented the Allies from floating any war bonds in America, and that would have stopped Americans from sailing on passenger vessels of Allied merchantmen. Their aim was to make Congress vote and the President act just as the Emperor of Germany deemed most suitable to the interests of the Fatherland.

To that end they tried to manipulate sentiment among the voters by means of insidious propaganda. They hired lobbyists to work among Representatives and Senators at the National Capitol and so thoroughly and accurately did these men do their work that the line-up of the House of Representatives and of the Senate was reported almost daily to Berlin on any important legislation bearing on Germany's interests in the war. They reported the change from day to day of any Congressman's attitude and the reason therefor. They strove to create a sentiment among the voters so that appeals would pour in upon Congressmen, filling them with fear of defeat at the polls if they did not obey what amounted to the Kaiser's dictation.

At the start of the European War there began in Congress a vehement debate over the question of imposing a legislative embargo on the shipments of arms and ammunition to the Allies.

In these debates men participated who undoubtedly were sincere in the convictions they expressed. Nevertheless, they were button-holed by Americans working for German agents but all the flowery oratory in favor of "universal peace" proved unavailing.

In the late winter and early spring of 1915, a hireling of the Germans began to seek secret conferences with Congressmen in a Washington hotel and to outline to them plans for compelling an embargo on munitions. *Money was mentioned and offers were made to seven or eight different Congressmen.* It is charged by Government officials that a large amount of money was spent—but the project was in vain.

#### UNDERGROUND DIPLOMACY

Meantime, Count von Bernstorff and Dr. Dumba were seeking by diplomatic means to effect a stoppage of the flow of war equipment to the Allies. Each addressed appeals to the Secretary of State and each presented notes from his respective Government protesting against the shipment of munitions as unneutral. Their protests were unavailing and the answers of the Secretary of State were so clear and determined that it became clear to the Teutonic agents that their efforts along such a channel would be without success. Dr. Dumba ascribes the failure of Congress to shut off the export of munitions and the decision of the Administration against the Teu-

tonic Powers, to the President, for in one of his letters to Burian he said in August, 1915:

"As last autumn, he (President Wilson) can always, through his personal influence, either force the House of Representatives to take his point of view against their better judgment, or, on the other hand, in the Senate can overthrow the resolution already voted in favor of prohibiting the export of guns and munitions. In these circumstances any attempt to persuade individual States to vote parallel resolutions through their legislative bodies would offer no advantages apart from the internal difficulties which the execution of this plan presents."

With that letter Dr. Dumba enclosed a memorandum adroitly suggesting the use of England's seizure of ships as a means of inciting Americans to support embargo legislation.

"President Wilson" (he wrote) "will not hear of Congress laying an embargo, for the reason, as he clearly explains, that to do so would be unneutral. The result of this is to stultify all attempts at agitation based on embargo. This is a matter entirely in President Wilson's hands. It is, of course, always possible that, despite the President's declaration, a resolution might be laid before Congress contemplating the prohibition of the export of munitions as a measure of reprisal against England for her illegal seizure of American ships; but we should indulge in no illusions as to the success likely to attend such an enterprise."

## HOLDING THE CLUB TO CONGRESS

The German agents, as has been told, did not cease their efforts to arouse the sentiment of the country, hoping to force Congress and the President to take steps in the direction that the Germans wished.

The fear which a Representative in Congress has of displeasing his constituents was a factor carefully taken into account by the German agents. Every means of impressing upon a Representative the belief that the men who voted for him wanted an embargo were used. These were the motives behind a plan for holding an embargo conference in the Middle West in the summer of 1915. The details were carefully developed and the conference would have been held had not the secret workings been divulged through the publication of the Albert papers. One letter addressed to Dr. Albert by Herr P. Reisswitz, in Chicago, reveals the scheme in detail and shows that Count von Bernstorff was aware of the inner organization. The letter, dated July 22, 1915, says in part:

"Everything else concerning the proposed embargo conference you will find in the inclosed copy of the report to the Ambassador. A change has, however, come up, as the mass meeting will have to be postponed on account of there being insufficient time for the necessary preparations. It will probably be held here in about two weeks.

"H—— seemed to be very strong for the

plan. He told our representative at a conference in Omaha: 'If this matter is organized in the right way you will sweep the United States.'

"For your confidential information, I would further inform you that the leadership of the movement thus far lies in the hands of two gentlemen (one in Detroit and one in Chicago), who are firmly resolved to work toward the end that the German community, which, of course, will be with us without further urging, shall above all things remain in the background, and that the movement, to all outward appearances, shall have a purely American character. I have known both the gentlemen very well for a long time, and know that personal interest does not count with them; the results will bring their own reward."

#### PULLING WIRES BEHIND SCENES

Germans made it a point to get behind resolutions presented to Congress in the early part of 1916 bearing on the submarine controversy. These measures, regardless of the aims of the legislators, had features that would be helpful to Germany in her desire to sink merchantmen on the high seas.

Senator Gore introduced a resolution "to prohibit the issuance of passports for use on vessels of a belligerent country," and another bill "to prohibit a belligerent vessel from transporting American citizens as passengers to or from ports in the United States and to prohibit American and neutral vessels from transporting American citizens as passengers and contraband of war at



one and the same time." Representative Stephens of Nebraska and Representative McLemore also introduced bills and resolutions of similar character.

This lobbying and other secret propaganda in Congress was designed to render the President powerless in his demands upon Germany to cease torpedoing passenger ships. The Germans almost succeeded in getting Congress to enact resolutions, forbidding Americans to travel on such passenger vessels. While this legislation was under discussion, Berlin was kept accurately informed concerning the attitude of both the House and the Senate on those measures. The schemes of the Germans, however, fell through and President Wilson was upheld in his policy.

After President Wilson had sent his ultimatum to Germany, insisting that the attacks on passenger ships and merchantmen, in violation of the rules of international law cease, the entire horde of German propagandists, German spies and German sympathizers were lined up in a countrywide appeal to Congress to maintain diplomatic relations with Germany, no matter what her answer to America's note might be. By a systematic scheme put into operation throughout the country, thousands of telegrams were sent to members of Congress and of the Senate beseeching harmonious relations with Germany. In the majority of instances these telegrams were according to formula and all the sender had to do

was to sign his name to it. The telegraph charges were paid by an organization financed by German agents.

But their pleas were not needed, for Germany, facing at last—after many months of exchange of notes—the anger of the American people, finally yielded on the submarine question and the Lusitania controversy. All of Germany's legislative propaganda and secret work had been futile. The exposure of the activities of her agents resulted only in causing many neutral Americans to revolt against her.

## CHAPTER XII

### CHANGING THE SYSTEM

**A**FTER all the ramifications of the Teutonic system in America had been unearthed through the work of the Federal authorities, an order went forth to the spies to cease activities that were in violation of the laws. *Meantime, the Chief Spy in Berlin began immediately to construct an entirely new system of espionage, for use in an emergency.* The remnant of the old system, however, was kept at hand for the furthering of propaganda and such activities as could not arouse the objection of the Government, even though detected.

Count von Bernstorff, German Ambassador, took steps following the seizure of the von Igel papers, rather the papers showing the directorship of the system in America, to issue a warning to all Germans of the necessity of leading a purely and righteously neutral life. He sent forth a statement, which had been prepared by an attorney in New York, to all German consuls in the country, and took care to see that the State Department obtained a copy of this notice. The notice, dated sometime in the early spring of 1916, said:

"In consequence of cases which have occurred of late, German Ambassador Bernstorff sent instructions to all German Consuls in the United States to strongly impress on German citizens living in their districts that it is their duty scrupulously to obey the laws of the states in which they reside."

That notice, however, was simply a subterfuge employed by the Chief Spy in Berlin to throw Americans off his trail. In December, 1915, following the arrest of Paul Koenig and other German agents, a formal notice was sent forth from Berlin asserting that no citizen of Germany ever had been asked to disobey any laws. But that statement had proved merely a blind to cover other activities in the United States. With the seizure of the von Igel-von Papen papers, however, it had become necessary to make a strategic retreat, so to speak, and to rebuild the spy system.\*

The necessity of such a move is clear because of the fact that the papers, documents and other evidence developed by the Secret Service and other Federal agents proved that the warriors and statesmen of Germany had, at the outset of the war, decided upon a campaign in America to injure the Allies and to weaken the American Government. The General War Staff had at their disposal in America a vast army of German reservists and secret agents, and straightway set

---

\*How a new system was devised and how Americans were employed to gather information about the Allies is now coming to light. Still more startling revelations of plans for attacks upon the United States will shortly be unfolded.

them to work upon plans in violation of American laws.

## TWO AND A HALF YEARS OF HIGH TREASON

Go back over the events since 1914, and study them in the light of the moves made by Germany or by her secret agents here, and you will realize how, in America, Germany has had a hand in practically every domestic or foreign event of any importance. *Her agents sought to control the Congress. - They planned trouble between the United States and Mexico with the aim of stopping the shipment of war supplies to the Allies, and of getting this country so absorbed in other matters that we could not call Germany to account for her murderous submarine warfare. They fomented trouble among laboring men. They schemed to bring about seditious uprisings in Cuba, and in the dependencies of the Allies, using this country as a base of operations.*

*By means of this secret organization, Germany carried on the scheme of buying fraudulent passports for the use of her reservists, developed a scheme for the illegal provisioning of the German cruisers, set on foot various military enterprises from the United States against Canada, schemed to destroy munition factories in America, to blow up merchantmen of the Allies sailing from American ports—and planned crimes of bribery, arson and assault.*

But the alertness of the American Secret

Service and the Bureau of Investigation of the Department of Justice prevented the consummation of these plans. There was need for a shifting of the Germanic spies. Immediately after the publication of Count von Bernstorff's warning, an exodus of known spies to South America began, and the development of *an effective system of espionage in every country in South America is now under way.*

### AMERICA'S VITAL QUESTION

*The great question that confronts the American people is one of preparedness against this or a like system. Any foreign government that knows the moves of the United States before they are made is in a position to do the country much harm in peace, and tremendously greater harm in war. In view of the crimes perpetrated by Germans and Austrians in America in 1914, 1915 and 1916, it behooves the American Government to take steps to destroy the system, root and branch; to see to it that no nation ever builds up a similar system in these United States.*

*This Government must take such steps as will insure it against treachery from within. The citizens of the United States must stand in time of danger as one man in defense of our lives, our liberties, our rights on land and sea, our homes and our national honor.*













